



ISLANDS TRUST

ANNUAL REPORT 2008-2009



Islands Trust

Preserving Island communities, culture and environment

ISLANDS TRUST ANNUAL REPORT 2008-2009

Table of Contents

Message from the Islands Trust Council Chair.....	4
Message from the Trust Fund Board Chairs.....	5
Message from the Chief Administrative Officer	6
The Islands Trust Area	8
Organization & Responsibilities.....	9
The Islands Trust Council.....	9
Executive Committee	9
Local Trust Committees / Island Municipality	10
Trustees of the Islands Trust as of December 10, 2008	11
Trustees of the Islands Trust as of November 2008	12
Trust Fund Board	13
Trust Fund Board Members.....	13
Islands Trust Legislative Structure Chart.....	14
 ANNUAL REPORT 2008-2009 ACCOMPLISHMENTS	15
Strategic Plan for the 2008-2011 Term	15
1. Executive Committee	16
2. Trust Area Services Highlights	22
3. Local Planning Services Highlights.....	23
4. Trust Council Advisory Committees.....	25
5. Local Trust Committees and Bowen Island Municipality	30
Bowen Island Municipality	31
Denman Island Local Trust Committee	31
Gabriola Island Local Trust Committee	31
Galiano Island Local Trust Committee.....	31
Gambier Island Local Trust Committee	31
Hornby Island Local Trust Committee.....	32
Lasqueti Island Local Trust Committee.....	32
Mayne Island Local Trust Committee	32
North Pender Island Local Trust Committee.....	32
Salt Spring Island Local Trust Committee	32
Saturna Island Local Trust Committee.....	33
South Pender Island Local Trust Committee	34
Thetis Island Local Trust Committee.....	34
Executive Islands.....	34
6. Trust Fund Board	34
The Islands Trust Financial Statements	
The Islands Trust Fund Financial Statements	

Message from the Islands Trust Council Chair

Local elections were in November 2008, making fiscal year 2008-2009 a time of transition from one term of Trust Council to the next. At the first Trust Council meeting of the new term, the Chair and three vice-chairs are elected to serve for three years by all 26 trustees. I left my duties as Chair of the Trust Fund Board to become Chair of Trust Council and am honoured to share Executive Committee duties this term with Louise Bell of Denman Island, Peter Luckham of Thetis Island and Gary Steeves of North Pender Island. In our first year we have formed a strong, focused team dedicated to addressing the challenges and opportunities that arise in any local government, and particularly well suited to upholding our special mandate to preserve and protect the Islands Trust Area for generations to come.

As the previous term wrapped up in November 2008, it became clear that we owe heartfelt gratitude to the many trustees who served so selflessly from 2005-2008. I would particularly like to recognize the significant contributions of:

- Kim Benson (Gambier LTC) served as the Chair of Trust Council from December 2005 to 2008
- Executive Committee Vice-Chairs were Gisele Rudischer (Gabriola Island LTC), Gary Steeves (North Pender Island LTC) and Rose Willow (Lasqueti Island LTC)
- Brian Hollingshead (Saturna Island LTC) served as the Chair of the Trust Programs Committee
- Tom Johnstone (Saturna Island LTC) served as Chair of the Financial Planning Committee
- Louise Bell (Denman Island LTC) served as Chair of the Local Planning Committee

As we start the new term I would like to thank the following four trustees for agreeing to spend the next three years chairing the Trust Fund Board and our Council Committees:

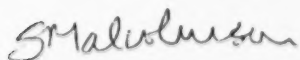
- Christine Torgimson (Salt Spring Island LTC): Trust Fund Board
- Tony Law (Hornby Island LTC): Trust Programs Committee
- George Ehring (Salt Spring Island LTC): Local Planning Committee
- Alison Morse (Bowen Island Municipality): Financial Planning Committee

The Executive Committee started off the new term with a focus on developing the strategic plan that would guide staff and trustees for the next three years. In 2009, the Executive Committee coordinated the process for developing the 2008-2011 Islands Trust Strategic Plan, including consultation with Council Committees, workshops and presentations at Trust Council meetings and integration with the budget process. Following adoption of the Strategic Plan later in 2009, the Executive Committee will ensure Trust Council accomplishes its goals.

The Executive Committee also coordinates Islands Trust requests for changes to provincial legislation. In 2009, the provincial Cabinet agreed to our request for a regulation enabling electronic meetings of Islands Trust bodies. The Executive Committee also sought a legislative change that would enable the Islands Trust to deliver its Natural Area Protection Tax Exemption Program (NAPTEP) program to Bowen Island Municipality and Orders in Council that would designate local trust committees under the Bylaw Dispute Adjudication System.

In response to specific requests of Trust Council or local trust committees, the Executive Committee writes letters to provincial and federal cabinet ministers and directs staff to develop briefings or 'requests for decision' on a variety of topics. This year we wrote letters and requested staff work on issues such as the *Private Managed Forest Land Act*, protecting groundwater, improving BC Ferries services, supporting island farmers and preventing marine pollution.

The role of the Executive Committee is crucial to the operations of the Islands Trust and Trust Council and I am honoured to serve as the Chair.



Sheila Malcolmson, Chair, Islands Trust Council

Message from the Trust Fund Board Chairs

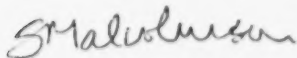
This past year, we witnessed an exciting moment for our region. Fifteen percent of the Islands Trust Area land base is now protected by public and non-profit conservation organizations. Reaching this milestone in the Islands Trust Area speaks to the time and effort island landowners, communities, conservancy groups and government partners have dedicated to the protection of natural spaces on the islands.

The Trust Fund Board is deeply honoured to have been given the opportunity to participate in this achievement. Since its establishment in 1990, the Trust Fund Board has acquired 19 nature reserves and 56 conservation covenants in 12 of the 13 Local Trust Areas, protecting 982 hectares of ecologically sensitive land.

The Islands Trust Fund continued to move forward this year with projects and initiatives. The Natural Area Protection Tax Exemption Program (NAPTEP) expanded into three new local trust areas. The program also attracted national attention, providing a template for the creation of a similar province-wide program in Nova Scotia. Seven new private properties received permanent protection through conservation covenants. In addition, the Islands Trust Fund acquired 107 hectares on Gambier Island—the Mount Artaban Nature Reserve—through the Free Crown Grant Program.

In 2008, the Province of British Columbia recognized the ecosystems in the Islands Trust Area as among the most biologically diverse of all in B.C. The Islands Trust Area acts as a stronghold for many species at risk of extinction, sporting the highest concentration of red- and blue-listed species in the province. But the ecosystems of this region are among those of greatest conservation concern in the province, covering only 0.25% of the entire province of British Columbia.

Although fifteen percent of this beautiful and unique region is now protected for rare and endangered species, island residents, and British Columbians, we still face other crucial challenges. As demonstrated by the Regional Conservation Plan Update contained herein, we have a long road ahead of us to help our region cope with the future challenges of climate change and a growing population, while we continue to protect other remaining ecologically significant places throughout the islands. With an inspiring conservation ethic deeply embedded within our region's communities and people, we look forward to our ongoing work together on future conservation achievements.



Sheila Malcolmson, Chair, January – December 2008



Christine Torgimson, Chair, January – March 2009

Message from the Chief Administrative Officer

As we entered a new term of Trust Council in 2008 we also had a record year for recruitment of talented new staff, some to fill in for parental leaves but most to join us permanently. One of Trust Council's strategic goals this fiscal year was to identify new sources of funding in addition to property taxes, leading to creation of a half-time grants administrator position. We also completed Phase 2 of the additional staffing levels in our planning unit that resulted from a review of our Local Planning Services.

During this fiscal year the following staff joined the Islands Trust:

- In April 2008 Jasmine Jawanda joined us as a Planner in the Salt Spring Island office. Jasmine has a Master's Degree from UBC's School of Community and Regional Planning. She has extensive community, rural and international development experience and is looking forward to working on Salt Spring Island and being part of the community. Jasmine also speaks several languages, in addition to English, including French, Spanish, Japanese, Hindi and Punjabi.
- Also in April, we were happy to promote Christine Pritchard from her former secretarial position to the Islands Trust Fund's Communications and Fundraising Specialist. Christine has a Bachelor of Environmental Studies from the University of Waterloo as well as a background with Ontario conservation authorities and BC's Sierra Club.
- Courtney Campbell, previously a Planner 1 with the Northern Office, was the successful applicant for the newest Island Planner position in the Northern Region and started her new position February 24. Courtney is completing a Master's Degree in planning from the School of Community and Regional Planning at the University of British Columbia, with a focus on regional planning, parks and planning with First Nations. Courtney has also undertaken research and planning work with the Gulf Islands National Park Reserve. She has planning responsibility for Denman and Thetis islands.
- Terry Hays joined the Islands Trust in July as the Human Resources Coordinator after Kathy Voakes moved on. Terry is responsible for recruitment, pay, leave and benefits and comes to us from a variety of human resource positions in government most recently at the BC Public Service Agency.
- David Beeston joined the Islands Trust in August as Information Systems Coordinator taking over from Robert Quill. Dave brings more than 12 years of experience with information technology to the Islands Trust. He previously worked with Nortel Networks in Calgary where he significantly improved client satisfaction, and in Ottawa, where he was involved with new product development. David has a Bachelor of Science in Computer Science from the University of Victoria.
- Sonya Sundberg became our first Grants Administrator in November 2008 and immediately started circulating lists of grants and drafting policy to support this new program. Sonya brings 10 years of experience in fundraising and program management at the local and international level, in the field of environmental sustainability, conservation and community development. Most recently she was Executive Director of the Greater Victoria Compost Education Centre which provides services and education on composting, organic gardening and sustainable living to residents of the Capital Regional District.
- In May 2008 Nuala Murphy became the Islands Trust Fund Secretary, replacing Sandi Miller who resigned from the position to stay home with her new son. Nuala has a Bachelor of Science in Forestry from the University of British Columbia and an Advanced Diploma from BCIT in Natural Resource Management. She has spent the last four years as a Project Officer with The Land Conservancy of BC working with landowners to place conservation covenants

on their property and looks forward to continuing the work of the land trust movement at the Islands Trust Fund.

- Nicole Ranger became the Victoria office receptionist in December 2008, after Violet Rodd's retirement. Nicole has several years' experience in administration and customer service and has taken a variety of courses in the Business Administration Program at the University of Victoria.
- Early in 2009 the Salt Spring Island office welcomed Leah Hartley as Regional Planning Manager. Leah has 28 years of experience in land use planning and team leadership, gained in British Columbia's urban, rural, private and public sectors. Most recently Leah led the City of Penticton's development planning group. Previously, Leah worked as Regional Planner and Growth Strategy Coordinator for the Regional District of Central Okanagan and before that she spent 11 years in the private sector contracting services to BC Parks, the Ministry of Transportation, the Land Use Coordination Office, the Ministry of Health, and a variety of land use projects in the Okanagan. Her educational background includes a Bachelor of Environmental Studies, Honours in Urban and Regional Planning from the University of Waterloo; followed by course work at Royal Roads and at University of British Columbia's Sauder School of Business.
- In March 2009 Andrea Pickard became Island Planner on the Southern Team and was assigned to the North and South Pender Local Trust Committees. Andrea holds a Bachelor of Science in Environmental Planning degree from the University of Northern British Columbia and a diploma of Environmental Technology. She has several years' experience in local and regional planning, most recently as the Environmental Services Manager at the City of Kamloops.
- Also in March 2009, Jennifer Eliason, Manager of the Islands Trust Fund, took a year off for the birth of her daughter and we were lucky to hire Shawn Black to fill in for a year. We will benefit from Shawn's extensive experience with conservation work gained with The Land Conservancy of BC and with the BC Land Trust Alliance.

At the December 2008 meeting of Trust Council, the second annual recognition awards were presented to the following staff:

- Champion Award – Brodie Porter
- Legacy Award – Laura Stringer
- Excellence in Leadership Award – Justine Starke
- Exceptional Team Effort Award – Northern Team: Becky McErlean, Courtney Campbell, Jacquie Hill, Linda Prowse, Peter Phillips, Sonja Zupanec, Valerie Sonstenes
- Exceptional Team Effort Honourable Mentions – 2008 Elections Team: Barb Dashwood, Claire Olivier, David Beeston, Jacquie Hill, Jas Chonk, Laura Stringer, Mark van Bakel
- Service Excellence Award – Kathy Jones, Claire Olivier
- Service Excellence Honourable Mentions – Brodie Porter, Nancy Roggers, Becky McErlean,
- Unsung Hero Award – Barb Dashwood
- Unsung Hero Honourable Mention – Jas Chonk



Linda Adams, Chief Administrative Officer, Islands Trust

The Islands Trust Area

The Trust Area covers the islands and waters between the British Columbia mainland and southern Vancouver Island, including Howe Sound and as far north as Comox, with the exception of Texada Island. It is approximately 5,200 square kilometres (2,000 square miles) in size and has a resident population of approximately 26,000*.

Located in the Strait of Georgia and Howe Sound, the Trust Area is a unique and special place—a scenic archipelago of 13 large islands and more than 450 smaller islands and islets. The area provides habitats for an exceptional variety of species: more than 200 types of migratory and resident birds and numerous species of fish and other marine and inter-tidal life, terrestrial wildlife and vegetation. Outstanding scenery and recreational resources include panoramic viewpoints, sheltered bays, protected marine waterways and anchorages, all of which contribute to the beauty, appeal and tranquility of this area.

The unique natural environment of the islands in the Strait of Georgia and Howe Sound has given the area national recognition. Realizing this, the government of British Columbia enacted special protective legislation in 1974 entitled the *Islands Trust Act*. The *Act* states that the object of the Islands Trust is to “preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia generally, in cooperation with the municipalities, regional districts, improvement districts, other persons and organizations, and the government of British Columbia”.

*2006 Census



Organization & Responsibilities

The Trust is a unique federation of independent local governments, including Bowen Island Municipality, which plan land use and regulate development in the Trust Area. Like other communities in British Columbia, island communities elect their local representatives every three years.

Two local trustees are elected for each group of islands designated as a local trust area or island municipality. For the twelve local trust areas, the two local trustees, together with an appointed chair from the Executive Committee, are responsible for the land use decisions within their local area. For the Bowen Island Municipality, the two local trustees are part of a seven-member council that is responsible for all functions of a local government, including land use decisions. Each local trust committee also has jurisdictional authority for the smaller islands and water that surround the major island in that local trust area.

The Islands Trust consists of a number of distinct corporate entities: the Trust Council, Executive Committee, twelve local trust committees and the Trust Fund Board. Bowen Island Municipality is also located within the Islands Trust Area. Two municipal trustees represent Bowen Island Municipal Council on Trust Council. Bowen Island Municipal Council has responsibilities related to the *Islands Trust Act*.

The Islands Trust Council

The twenty-six member Trust Council establishes general policies for carrying out the object of the Islands Trust. The Council also adopts an operational budget for the Islands Trust and manages the financial undertakings of all parts of the Islands Trust except for the Trust Fund, which manages its own operations. Trust Council appoints the CAO and auditors and adopts an annual budget. Tax levies on properties within the Trust Area are the primary funding source for the operations of the Islands Trust; additional revenue comes from a provincial grant and development application fees.

The *Islands Trust Act* requires Trust Council to implement a Trust Policy Statement that is applicable to the whole Trust Area. The Minister of Community Services must approve the Policy Statement before it is adopted. The Policy Statement provides broad policy guidelines for Trust Council, the Trust Fund Board and the local trust committees and island municipality regarding the protection of ecosystems, the stewardship of resources and the promotion of sustainable communities. The positions and philosophy of Trust Council contained in the Policy Statement also constitute a policy framework for reference by the public and other agencies such as the regional districts of the Trust Area, the Province and its agencies.

Trust Council has three standing committees of trustees—the Local Planning Committee, Trust Programs Committee and Financial Planning Committee—which provide policy advice to Trust Council on issues referred by the Council and on committee initiatives.

Executive Committee

The Executive Committee consists of the Chair of the Islands Trust Council and three Vice-Chairs, all of whom are elected for a three-year term by Trust Council from among its members. The Executive Committee carries out the daily business of the Islands Trust and reviews the bylaws of local trust committees to ensure compliance with the Islands Trust Object and the Policy Statement. The Executive Committee also acts as a local trust committee for parts of the Trust Area that are not included in any of the local trust areas or the island municipality.

This committee is also responsible for liaison with the Province and other agencies, including advocacy on behalf of the Islands Trust's object and island issues, communications such as news

releases, the Islands Trust's quarterly newsletter for constituents and other interested parties, the annual report and public consultation on the annual budget, and liaison with the Islands Trust Fund, the conservation arm of the Islands Trust.

Local Trust Committees / Island Municipality

A local trust committee exists for each group of islands designated as a local trust area under the *Islands Trust Act*, except for Bowen Island, which is incorporated as a special form of municipality under the *Islands Trust Act*.

Each local trust committee has three members—two locally elected trustees and one Executive Committee member who serves as Chair. A local trust committee is responsible for land use planning and regulation for its area of jurisdiction. The responsibilities include preparation and adoption of Official Community Plans, Land Use Bylaws, zoning and subdivision bylaws, regulation of soil removal and deposit, and authorization of permits under Part 26 of the *Local Government Act*.

Bowen Island Municipality is served by a seven-member Council that holds municipal powers including land use planning. Two of its councilors are elected by the community to serve as Municipal Trustees on Trust Council.

The *Islands Trust Act* requires local trust committees and Island municipalities to submit all bylaws to the Executive Committee for approval before adoption. Any Island municipality bylaw that refers to matters included in the Islands Trust Policy Statement is also submitted for comment. The *Islands Trust Act* and municipal letters patent establish the necessary procedures, should the Executive Committee find a bylaw at variance or contrary to the Policy Statement.

Local Government Elections Held in 2008

Forty-five candidates ran for positions on twelve local trust committees and Bowen Island Municipal Council in the local government election held November 15, 2008. Because of acclamations, there were no elections in the Mayne Island, Saturna Island and South Pender Island Local Trust Areas.

Voters in each of the twelve Local Trust Areas elect two local trustees to serve on a local trust committee and to represent it on the Islands Trust Council. Local trustees serve a three-year term and make land use planning decisions for their communities. They are responsible for decisions about Official Community Plans, zoning and subdivision regulations and a variety of development applications. On Bowen Island, the community elects two Municipal Trustees at the same time they elect the Bowen Island Municipal Council. The Municipal Trustees represent Bowen Island on the Islands Trust Council.

Trustees of the Islands Trust as of December 10, 2008

In November 2008 the following individuals were elected as trustees and formed the Islands Trust Council in December 2008. Twelve incumbents (+) and 14 new trustees were sworn in on December 10th 2008.

Bowen

Alison Morse+
Nerys Poole

Mayne

Jeanine Dodds+
Colin Shew

Denman

Louise Bell+
David Graham+

North Pender

Derek Massclink
Gary Steeves+

Gabriola

Deborah Ferens
Sheila Malcolmson+

Salt Spring

George Ehring+
Christine Torgimson

Galiano

Louise Decario
Sandy Pottle

Saturna

John Money
Beverley Neff

Gambier

Joyce Clegg+
Jan Hagedorn

South Pender

David Greer
Wendy Scholfield+

Hornby

Fred Hunt
Tony Law+

Thetis

Sue French+
Peter Luckham+

Lasqueti

Jen Gobby
Susan Ann Morrison

Executive Committee as of December 2008

Sheila Malcolmson, Chair, Gabriola Island
Louise Bell, Vice-Chair, Denman Island
Peter Luckham Vice-Chair, Thetis Island
Gary Steeves Vice-Chair, North Pender Island

Trustees of the Islands Trust as of November 2008

Prior to the 2008 local government election the following trustees formed the Islands Trust Council.

Bowen

Peter Frinton
Alison Morse

Mayne

Jeanine Dodds
Gary Rowe

Denman

Louise Bell
David Graham

North Pender

Ken Hancock
Gary Steeves

Gabriola

Sheila Malcolmson
Gisèle Rudischer

Salt Spring

George Ehring
Peter Lamb

Galiano

Michael Sharp
Roy Smith

Saturna

Brian Hollingshead
Tom Johnson

Gambier

Kim Benson
Joyce Clegg

South Pender

Bruce McConchie
Wendy Scholefield

Hornby

Tony Law
Ron Emerson

Thetis

Sue French
Peter Luckham

Lasqueti

Bronwyn Preece
Rose Willow

Executive Committee to December 2008

Kim Benson, Chair, Gambier Island
Gisèle Rudischer, Vice-Chair, Gabriola Island
Gary Steeves, Vice-Chair, North Pender Island
Rose Willow, Vice-Chair, Lasqueti Island

Trust Fund Board

The Trust Fund Board consists of up to six members. Two members are elected from and by Trust Council, one member is elected from the Executive Committee and up to three members are appointed by the Minister of Community Services for terms of one to three years.

The Islands Trust Fund acquires and manages land for conservation, receives donations of land, conservation covenants and cash to help preserve places of natural significance or cultural value within the Trust Area, and undertakes stewardship education activities. The Islands Trust Fund provides tax receipts for all eligible donations.

Every five years, the Trust Fund Board prepares a Trust Fund Plan for approval by the Minister of Community Services. The plan establishes policies regarding the operations of the Islands Trust Fund. In 2005 the Trust Fund Board adopted a Regional Conservation Plan to guide its policy and operations when receiving conservation proposals, applying for Free Crown Grants, determining its annual work program and measuring its success in protecting natural places. The Trust Fund Board reviews the Regional Conservation Plan annually as part of an adaptive management process.

Trust Fund Board Members

Sheila Malcolmson, Gabriola Island (January 2006 – December 2008, Chairperson, January 2007 – December 2008)

Peter Lamb, Salt Spring Island (January 2006 – December 2008)

Gary Steeves, North Pender Island (January 2006 – December 2008)

Christine Torgimson, Salt Spring Island (Appointed Member, January 2008 – December 2008, elected to Trust Council December 2008, elected to Trust Fund Board, and elected Chairperson January 2009 – present)

Louise Bell, Denman Island (December 2008 – present)

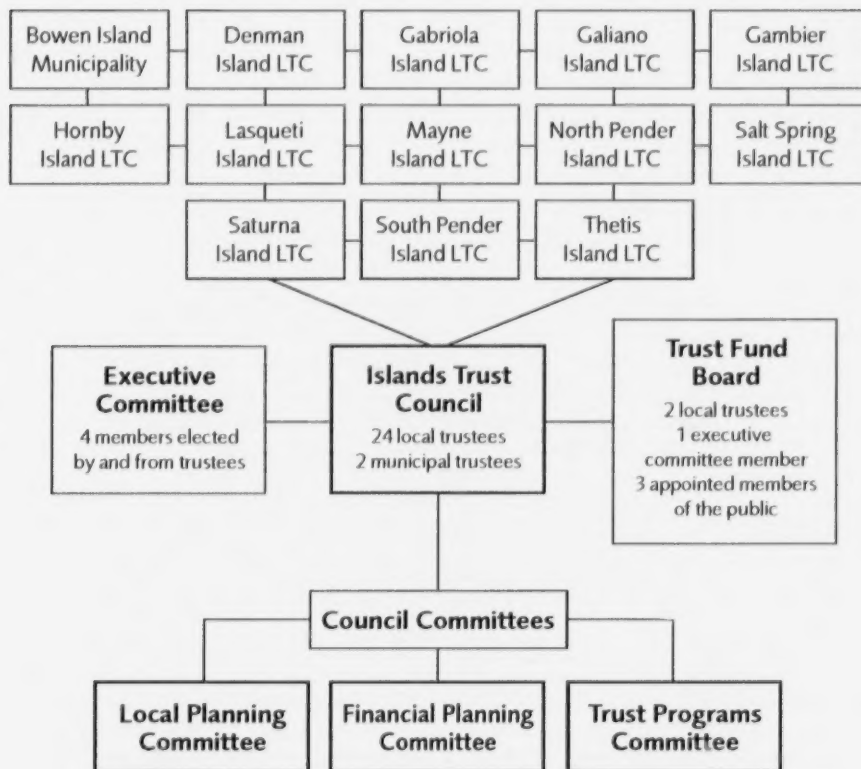
Nerys Poole, Bowen Island (December 2008 – present)

Michael Dunn, (Appointed Member, January 2008 – present) Mayne Island

Bruce Whittington, (Appointed Member, January 2008 – present) Ladysmith

Islands Trust Legislative Structure

Local Trust Committees and Island Municipalities



ANNUAL REPORT 2008-2009 ACCOMPLISHMENTS

Strategic Plan for the 2008-2011 Term

Trust Council uses a strategic plan to set priorities and goals for each term. The strategic plan from the previous term was updated in March 2009 to provide alignment between the new Council's strategic priorities and budget allocation. At its March 2009 meeting Council began its strategic planning process by reviewing recommendations from its committees. Trustees discussed and made preliminary recommendations about priority objectives for the 2008-2011 term of office as follows:

Goal 1 Ecosystem Preservation and Protection

To foster preservation and protection of the Trust Area's ecosystems

- Identify and protect environmentally sensitive areas and significant natural sites, features and landforms
- Identify and protect riparian zones
- Reduce greenhouse gas emissions

Goal 2 Stewardship of Resources

To ensure that human activity and the scale, rate and type of development in the Trust Area are compatible with maintenance of the integrity of trust area ecosystems

- Fair, adequate and sustainable funding for the Trust Fund Board to steward protected lands
- Protect the sustainability and quality of freshwater resources
- Stewardship of coastal areas and marine shore lands

Goal 3 Sustainable Communities

To sustain island character and healthy communities

- Community socio economic diversity
- Minimize impacts of climate change on island communities

Goal 4 Work in Cooperation with Others

To carry out the object of the islands trust ... in cooperation with municipalities, regional districts, improvement districts, other persons and organizations and the Government of British Columbia

- Clear and comprehensive policies
- Community understanding and support for the Islands Trust and its object
- Cost effectiveness for taxpayers
- Recognition/support for the Islands Trust object in the policies/programs of other levels of government

The work undertaken by Trust Council flows from this strategic plan. A copy of the plan is available on the Islands Trust web site at www.islandstrust.bc.ca under the 'Trust Council' tab.

Public Input Always Welcome

The Islands Trust Council meets quarterly and members of the public are welcome to attend. Community members can make a presentation to the Council or participate in a town hall session, which is a forum held regularly to promote informal dialogue between islanders and trustees. In fiscal 2008-2009 the Islands Trust Council met on Galiano Island in June 2008, on Keats and Gambier Islands in September 2008, in Victoria in December 2008 and on Gabriola Island in March, 2009. Eighteen delegations made presentations to the Islands Trust Council in 2008-2009.

Regular meetings of local trust committees and other council committees are also open to the public. In addition, many residents and property owners become directly involved by becoming members of advisory committees and commissions.

Information on ongoing activities is available from notice boards on most of the islands, island newspapers, and from newsletters written by local trustees and Islands Trust staff. Those interested may subscribe to the Islands Trust electronic news service and visit the Islands Trust website at www.islandstrust.bc.ca.

1. Executive Committee

The Executive Committee has a variety of responsibilities. In addition to the responsibilities of individual members serving as chair of local trust committees, the committee advocates for Trust Council, plans and promotes communications for the Islands Trust, liaises with the provincial government and conducts other functions as directed by Trust Council.

Executive Committee Advocacy

In response to concerns raised by communities through their elected trustees, Trust Council passed several resolutions in 2008-2009 and the Executive Committee took action accordingly. Trust Council also continued to advocate on behalf of island communities on a range of issues that affect islanders such as agriculture, groundwater, tourism and protecting the marine and terrestrial environment.

Support for Agriculture

Provincial Farm Status Review

On April 30, 2008 the Chair of the Islands Trust Council wrote to the Minister of Small Business and Revenue regarding a comprehensive review of farm status assessment initiated by the provincial government based on the following resolution by Trust Council:

"That the Islands Trust Council request the Chair to write to the Minister of Small Business and Revenue, Rick Thorpe and to the Farm Assessment Review Panel, apprising them of the relevant Islands Trust policy and Trust Council's support for a fair, enlightened and sustainable approach to farm tax assessment in the Trust Area."

In her letter, Chair Kim Benson stated: "The BC Assessment Authority's recent move to split assessments and reclassify some land as residential could be a serious threat to small farms in the Trust Area, which in many instances operate on very slim margins. Enlightened taxation would reward farmers who voluntarily set aside parts of their land for fallow, woodlots and other natural buffers."

Organic Farming

On April 30, 2008 the Chair of the Islands Trust Council wrote to the Minister of Agriculture and Lands as a result of the following council resolution:

"That the Islands Trust Council request the Chair to write to the BC Minister of Agriculture and Lands and the Farm Industry Review Board requesting that they consider organic farming to be a normal farm practice in the Islands Trust Area."

In her letter, Chair Kim Benson stated "It should be noted that the motion does not imply a restriction on other farm practices, but simply asks that traditional organic farm practices be recognized and considered normal in our region, the Islands Trust Area."

In his June 20, 2008 response to the Chair, Minister Pat Bell said: "The Ministry supports and encourages organic farming together with other sustainable farming systems."

Support for the Environment

Trust Council Opposed to Proposed LNG facility on Texada Islands Trust

In June 2008 the Chair of the Islands Trust wrote to the Powell River Regional District in support of their position regarding a proposed LNG facility on Texada Island. Trust Council believes that the proposed LNG facility on Texada Island poses a threat to the atmosphere (locally and globally), to marine safety and to marine ecology. At its quarterly business meeting in June 2008, the Islands Trust Council unanimously passed the following resolutions:

"That the Islands Trust Council request the Chair to write to the Powell River Regional District Board supporting its May 22, 2008 resolution to UBCM regarding BC's Energy Plan, with copies to the appropriate federal and provincial ministers; and

That Trust Council add the Powell River Regional District's proposed resolution to the list of UBCM resolutions that the Executive Council is requested to support at the UBCM convention in September 2008."

In her letter, Chair Kim Benson stated: "In September 2007 the Islands Trust Council committed to the BC Climate Action Charter. Under this agreement, we will reduce greenhouse gas emissions and create more energy efficient communities across the Trust Area. The construction of a LNG facility on Texada Island contradicts those goals and the stated goals of the province's own energy plan and increases dependency on GHG-emitting, non-renewable fuels."

"The Islands Trust Council encourages the provincial and federal governments to seriously consider the Powell River Regional District's resolution, thereby protecting the marine environment and showing meaningful leadership on greenhouse gas emission reductions."

Living Water Smart

In June 2008 the Islands Trust Council chair wrote to the Minister of Environment in response to a Trust Council resolution in support of the commitments expressed in the ministry's new Living Water Smart plan. In particular the Islands Trust expressed its support for the identification of the Gulf Islands as a priority area for the regulation of groundwater use.

Private Managed Forest Land Act

On March 30, 2009 Trust Council Chair Sheila Malcolmson wrote to the Minister of Community Development and to Murray Coell MLA, Saanich North and the Islands, regarding the *Private Managed Forest Land Act* and its collision with the Object of the Islands Trust Act. In her letter on behalf of Trust Council, Malcolmson stated: "In particular, Section 24 of the Islands Trust Act indicates that local trust committees are responsible for regulating the development and use of land in their local trust area to preserve and protect the unique amenities and environment. However,

Section 21 of the Private Managed Forest Land Act restricts a local trust committee's ability to carry out its responsibilities on private managed forest land. On March 11, 2009 the Islands Trust Council passed the following resolution:

"That the Islands Trust Council directs the Executive Committee to explore with the appropriate provincial government ministries options for the exemption of Galiano Island from Section 21 of the Private Managed Forest Land Act; and for clarity, the purpose of the Executive Committee's request is to help achieve effective solutions for the unique circumstances on Galiano Island."

BC Ferries

Islands Trust Says No to Bridge for Gabriola

As chair of the Gabriola Local Trust Committee, Kim Benson wrote to David Hahn, CEO and President of BC Ferry Services Inc. on July 15, 2008 raising concerns about a proposed poll of Gabriolans on whether they would like a bridge instead of a ferry. She clarified that a bridge would be contrary to the Islands Trust Policy Statement which indicates:

"that no island in the Trust Area should be connected to Vancouver Island, the mainland or another island by a bridge or tunnel, notwithstanding the existing bridge between North and South Pender Islands." (Policy 5.3.2); Gabriola Island's Official Community Plan (1997): "The development of a bridge or other form of fixed transportation link of any kind connecting Gabriola to Vancouver Island or any other island or the B.C. Lower Mainland is not supported and is contrary to the provisions of this plan." (8.1.k); and, Mudge Island's Official Community Plan (2008): "This Plan attempts to preserve the Mudge Island Planning Areas unique environment for future generations with the following goals: ... 3. To keep the islands as a refuge from the pressures of urban life, as partially facilitated by the absence of ferry service and bridges between these and other islands. ... Transportation Policy 4: No island in the Plan Area shall be connected to any other island by a bridge."

All three policy documents resulted from extensive community input and were approved by the Provincial Minister of Community Services. Benson also raised the issue of the environmental impacts of a bridge and BC Ferries' disregard of a "Protocol Agreement" and "Letter of Understanding on Ferry Service in the Islands Trust Area Between: British Columbia Ferry Corporation and Islands Trust" intended to "foster an ongoing consultative process between Islands Trust and BC Ferries to coordinate their respective roles within the Trust Area relative to the land use implications of ferry services".

Service Fee

On November 5, 2008 Chair Benson wrote to the Minister of Transportation and Infrastructure regarding the Provincial Contribution to BC Ferries Service Fee. Benson wrote on behalf of the Islands Trust Council to encourage the Provincial Government to implement the recommendations made by the Ferry Advisory Committee Chairs in their *Towards a Minor Routes Strategy for Coastal Ferry Service* discussion paper, and in their recent submissions to the Select Standing Committee on Finance and Government Services. These recommendations suggest that the transportation fee provided to BC Ferries by the Province should be increased as part of a strategy to sustain the ferry system on a sound financial footing so it can continue to provide accessible (reasonably priced) ferry service to ferry-dependent coastal communities in order to protect the social and economic well-being of those communities.

Minutes of all Trust Council meetings, including resolutions, are on-line at www.islandstrust.bc.ca/tc/minutes.cfm.

Letters from the Islands Trust Council Chair are on-line at www.islandstrust.bc.ca/news/chaircorrespondence.cfm.

Islands Trust Council Special Meeting on Galiano Bylaws

In addition to regular quarterly meetings, Trust Council met August 13 to 14, 2008 in a special meeting in Sidney, B.C. regarding Galiano Island Local Trust Committee Bylaws referred by the Galiano Island LTC under Sections 16 and 27(3) of *the Islands Trust Act*. The bylaws were the first ever submitted by a local trust committee to Trust Council for approval.

The Islands Trust Council decided on August 14 to refuse the Galiano Island Local Trust Committee Official Community Plan amendment bylaw and an associated Land Use Bylaw amendment. The decision was split in a 13 to 12 vote against the Official Community Plan amendment bylaw.

Approximately 100 people attended the public meeting. Prior to considering the Galiano bylaws Trust Council members received almost 500 written submissions from members of the public, speaking to both sides of the decision.

Communications

News Releases

The Islands Trust issued 33 news releases in 2008-2009 on a wide range of subjects, including public input on governance options, bylaw enforcement, public input on the annual budget, quarterly Islands Trust Council meetings and agendas, Community Stewardship Awards, land conservation activities, Official Community Plans, staff appointments and local government elections.

Islands Trust news releases are distributed to local media throughout the Islands Trust Area and outlying media interested in the area, other elected officials, and other interested agencies and governments, as well as subscribers to the Islands Trust electronic distribution service.

Islands Trust Publication Wins National Award

In 2008 *A Place In The Islands*, an Islands Trust project designed to provide information and generate awareness of the unique benefits and challenges of living on an island in this special part of the world, won a National Award of Excellence from the Canadian Public Relations Society. The awards "recognize and reward public relations excellence and honour outstanding performance and service by members of the Society." CPRS received 116 entries from across Canada for the 2008 National Awards. The public education tool is the result of a cross-border partnership between the Islands Trust and the San Juan Preservation Trust in Washington State—two bodies that share many issues in common.

The publication received two previous awards in 2007. It received an honourable mention award in the Best Practices category of the Community Excellence Awards at the annual convention of the Union of BC Municipalities. This award recognizes local government projects throughout British Columbia. Fifty nine local government projects were in the running. The publication also received a Communications Leadership award in the first province-wide awards offered by the Canadian Public Relations Society. This award is bestowed on communications professionals who demonstrate the highest ethical and professional standards while performing outstanding work. Together these awards acknowledge the cooperative work of Laura Stringer, Communications Specialist for the Islands Trust, and Kathleen Foley, Director of Education and Outreach of the San Juan Preservation Trust, who coordinated the project.

The publication, released in March 2007, covers a wide range of topics ranging from water conservation to green building practices. Because this book is intended as a public education tool, copies are being provided free of charge to the main target audiences, namely people new to the islands, and to reference groups such as libraries. It is also available on-line at www.islandstrust.bc.ca/poi/apiti.cfm.

E-News

Four issues of the Islands Trust electronic newsletter, with 985 subscribers (up from 800 the previous year), were distributed during 2008-2009. The newsletter is designed for everyone interested in the activities of the Islands Trust. To subscribe, please visit www.islandstrust.bc.ca/subscribe/default.cfm.

Web Site Activity

The Islands Trust updated and improved local trust committee homepages to provide:

- A "Latest News" section, as well as the ability to subscribe to updates. Subscribers can sign up to receive the latest information on official community plan reviews, staff reports, notifications and other documents published in the latest news section for a local trust committee.
- The ability for the public to make on-line submissions to public hearings about a specific bylaw (including the ability to upload submissions in Word or PDF formats). This is available directly on the meetings schedule page for each local trust committee.

The Islands Trust Fund also updated and improved its website in 2008-2009 by enabling the public to make on-line donations to the Trust Fund Board.

Other Executive Committee Highlights

San Juan County

The Islands Trust Council hosted an annual meeting in June 2008 on Galiano Island with the elected Council of San Juan County, Washington, to discuss issues of mutual interest and concern to their island communities, such as climate change and adaptation planning and affordable housing. The two governments represent the interests of more than 642 islands within Howe Sound, Georgia Basin and Puget Sound.

Members of Islands Trust Council and the San Juan County Council exchanged information and discussed mutual areas of interest, including climate change and adaptation planning and affordable housing. Council members expressed interest in forming a joint task force to identify potential projects that the San Juan County Council and the Islands Trust Council could consider developing.

The two agencies share common values, such as protecting significant terrestrial and marine environmental features, preserving the unique quality of life on the islands, managing the impact of population growth and development in a manner consistent with the values of island communities and encouraging island communities to achieve and maintain a viable economy.

A transboundary agreement, renewed in 2007, focuses on identifying current and emerging transboundary issues; sharing information; undertaking research and policy development projects; promoting communications and public education; and supporting cooperative initiatives with other organizations, government agencies and the private sector.

Union of British Columbia Municipalities Annual Convention

Chair Kim Benson and Vice-Chairs Gary Steeves and Rose Willow represented the Islands Trust Council at the annual convention of the Union of BC Municipalities (UBCM) in Penticton September 23-26, 2008. Chief Administrative Officer Linda Adams and Director of Local Planning Services Mac Fraser also attended the convention.

During the convention, Islands Trust representatives also attended several workshops and participated in a number of informal meetings with provincial ministers, MLAs, provincial government staff, regional district board members and staff, federal government staff, and a variety of other agencies.

Trust Council Presentations

As part of Trust Council's plan for continuous learning, the Executive Committee arranged the following presentation during the June 2008 Trust Council quarterly meeting:

- Guy Dauncey, author of *Stormy Weather: 101 Solutions to Global Climate Change* provided a PowerPoint presentation on climate change and provided tools and suggestions on what local governments can do to act responsibly.

Bylaw Approvals

One of the most important functions of the Executive Committee is to consider and approve all local trust committees' bylaws. For Bowen Island Municipality, it also comments on land use bylaws and considers approval of Official Community Plan (OCP) bylaws. The Executive Committee considers each bylaw submitted in light of Islands Trust policies and procedures. Bylaws that affect land use are evaluated to ensure their compliance with the *Islands Trust Policy Statement*. The following table shows bylaws the Executive Committee approved for various local trust committees in the Islands Trust Area during 2009-2009. Bowen Island Municipality and the Gabriola, Gambier, Hornby, Lasqueti, South Pender, Saturna and Thetis LTCs did not submit any bylaws for approval during this period.

ISLANDS TRUST EXECUTIVE COMMITTEE BYLAWS CONSIDERED IN 2009

Local Trust Committee	Bylaw No.	Bylaw Description
Denman	186 Feb 09	Land Use Bylaw: a new LUB as a result of the 2005-2008 OCP assessment process
	187 Jan 09	Fees Bylaw: to reduce the fee for density transfers in or out of the Density Bank
	188 March 09	Land Use Bylaw: to amend the zoning and minimum lot area for a co-housing development.
Galiano	201 Mar 09	OCP Bylaw: site-specific adjustment to the boundary between the Rural and Agricultural Designations
	202 Mar 09	Land Use Bylaw: site-specific adjustment to the boundary between the Rural 2 and Agricultural zones
Mayne	146 Feb 09	Land Use Bylaw: establishes a new base bylaw
	147 Feb 09	OCP Bylaw: various amendments to the OCP, including establishment of a development permit area
	177 March 09	Land Use Bylaw: establishes a new 'National Park' zone
	178 March 09	OCP Bylaw: establishes a new 'National Park' designation
Salt Spring	435 March 09	Land Use Bylaw: rezone to allow a firefighter training facility

Formal Complaints Received

Islands Trust policy requires the reporting of any administrative fairness complaints received each year. There were four complaints in 2008-2009. All issues were investigated and complainants were advised of the outcome.

2. Trust Area Services Highlights

First Nations Relations and Protection of Archaeological Heritage Sites

In December 2008 the Snuneymuxw First Nation and the Islands Trust signed a protocol agreement on in the Snuneymuxw Council Chambers in Nanaimo. The Snuneymuxw First Nation has legal and cultural interests, including Douglas Treaty rights and asserted aboriginal rights, relating to lands and resources which include reserves and territory in the Gabriola Island Local Trust Area. The Islands Trust has land use, planning and management authority in the region under the Islands Trust Act.

The high-level agreement, modeled on the protocol between Snuneymuxw and the City of Nanaimo, is intended to establish a government-to-government relationship of mutual respect and cooperation with respect to planning, land use management and heritage conservation in the areas within the authority of the Islands Trust. The agreement sets the stage for a joint working group to develop specific procedures for protecting the Snuneymuxw First Nation's interests in the Gabriola Local Trust Area and to identify topics on which the parties wish to develop further agreements.

The agreement will improve planning, land use management and heritage conservation in the Gabriola Local Trust Area. The Islands Trust mandate to preserve and protect the area includes cultural and heritage values.

The Snuneymuxw First Nation's protocol agreement with the City of Nanaimo is now in its fourth year of implementation. A similar agreement with the Regional District of Nanaimo is currently under discussion. This is the second protocol agreement the Islands Trust has signed with a first nation. The first was established in 2000 between the Lyackson First Nation and the Thetis Island Local Trust Committee. A proposed agreement between the Islands Trust and members of the Hul'qumi'num Treaty Group is near completion.

Referendum on Salt Spring Island Representation

Following a formal governance study and extensive public input in 2007, the Islands Trust Council requested Community Services Minister Ida Chong to amend the Islands Trust Act to increase the Salt Spring Island Local Trust Committee and the number of Salt Spring Island seats at Trust Council, each by two. Currently, the Islands Trust Council has 26 members, with two elected trustees from each of 13 island areas designated within the Islands Trust Act.

In June 2008 the Islands Trust Council voted unanimously to hold a referendum, so that Salt Spring Islanders could indicate whether they would like two additional trustees as full members of their Local Trust Committee. The decision was in response to a proposal made by Community Services Minister Ida Chong.

On November 15, 2008, Salt Spring Island voters defeated a referendum about whether to increase the number of local trustees on the Salt Spring Island Local Trust Committee from two to four. As a result, the Salt Spring Island Local Trust Committee will remain a three-member body, as it is now, made up of two locally-elected trustees and one member of Trust Council's Executive Committee,

Natural Area Protection Tax Exemption Program

The Natural Area Protection Tax Exemption Program (NAPTEP) rewards landowners who permanently protect natural features of their land through conservation covenants with a 65% reduction on property taxes on the protected portion of their land.

In August 2008, both the Cowichan Valley Regional District and the Regional District of Nanaimo agreed to the implementation of NAPTEP on the islands within their jurisdiction. Under the direction of the Trust Area Services, the Islands Trust Fund rolled out the program in the new participating districts in February 2009 with a communications and outreach campaign on the two major islands: Gabriola and Thetis. NAPTEP was first introduced in 2005 in the Sunshine Coast and Capital Regional Districts. The program is now available to Islands Trust Area landowners in the following Local Trust Areas: Executive, Gabriola, Galiano, Gambier, Mayne, North Pender, Salt Spring, Saturna, South Pender, and Thetis.

In 2008-2009 Trust Council issued a total of seven Natural Area Exemption Certificates, four on North Pender Island and three on Salt Spring Island. The 'King' NAPTEP Covenants on North Pender Island (Lots 12, 16 and A) protect 1.9 hectares of shoreline and forest. The properties are home to rare ecological communities including Garry oak-arbutus and Douglas-fir-arbutus. Great Blue Herons and Band-tailed Pigeon have been seen on the properties. The 'Woodwinds' NAPTEP Covenant protects land adjacent to the 'King' covenants. The 0.76 hectare covenant contains five red-listed plant communities, includes a broad southwest facing slope with herbaceous-terrestrial bedrock, and is home to several veteran Garry oak and arbutus trees. The 'Frog Haven' NAPTEP Covenant protects 3.6 hectares of land featuring a varied terrain of forests, wetlands and rocky ridge-tops covered with moss and wildflowers. The 'Wennanee' NAPTEP Covenant protects 2 hectares of Garry oak outcrop and undisturbed riparian area. The covenant adds to a network of other existing covenants that cover several properties along Monty Creek to the ocean. Finally, the landowners of an existing Trust Fund Board covenant, the 'Richardson' Covenant, were issued a NAPTEP certificate following the confirmation that the existing registered covenant contained the provisions required of a standard NAPTEP covenant.

There are currently fifteen properties in the Natural Area Protection Tax Exemption Program. In total, 56.7 hectares (140 acres) of private land are now protected through the program.

Information about the program is available at www.islandstrustfund.bc.ca/naptep.cfm.

3. Local Planning Services Highlights

Community Housing

Trust Council asked the Local Planning Committee for advice about community housing. With the support of the Local Planning Committee, Trustee Law brought forward a report on community housing for the benefit of the 2008-2011 Council.

Terrestrial Ecosystem Mapping (TEM) in the Coastal Douglas-fir Zone

Some of the rarest species in Canada are found in the Coastal Douglas-fir Biogeoclimatic Zone, which covers a small area of British Columbia's south coast, including lower elevations on southeastern Vancouver Island, the Gulf Islands and a fringe of mainland along the Georgia Strait. With less than one half of one percent of old forests left in this zone, it is no surprise that it is considered a priority area for conservation in British Columbia.

Recognizing the rarity of Coastal Douglas-fir forests, the provincial government, including the Integrated Land Management Bureau, the Ministry of Forests and Range, and the Ministry of Environment, partnered with the Islands Trust and Parks Canada to map Douglas-fir ecosystems

throughout the Coastal Douglas-fir Biogeoclimatic Zone. The mapping was done to Terrestrial Ecosystem Mapping (TEM) standards, a set of standards developed by the Province, and was completed at the end of March 2008.

Both the Islands Trust and Islands Trust Fund will use TEM to inform land use decisions and guide conservation plans. Mapping has been completed on Salt Spring, Mayne, North Pender and South Pender Islands. Other islands in the Coastal Douglas-fir Biogeoclimatic Zone were field checked. Islands Trust mapping staff will next begin to work on creating Sensitive Ecosystem maps for all islands, except those in Howe Sound, which are outside of the Coastal Douglas-fir Zone.

UBC Maps Shoreline – Understanding Our Unique Environment

In 2008 the Local Planning Services unit of the Islands Trust started work with the University of British Columbia to better understand the two fundamental types of land forms in the Trust Area: watersheds and coastal zones.

Islands Trust watersheds are getting more attention as the Islands Trust prepares to meet the provincial Riparian Areas Regulation (RAR) requirements. This work involves determining which of our hundreds of watersheds have habitat suitable for fish and thereby warrant protection under RAR.

Islands Trust coastal zones were also the focus of a graduate student seminar session at UBC, involving 20 students and three staff members from the landscape architecture program. The Islands Trust sponsored this team in order to facilitate access to their research. Their project will

- Lead to greater understanding of the natural systems influencing the coastal zones,
- Identify any commonality of types and locations of zones on various islands,
- Determine the relevance of coastal zones to upland land use planning,
- Communicate the findings to the Islands Trust through a report, and
- Develop educational products suitable for a range of audiences.

A report will summarize the above information and make recommendations about the need for additional scientific study. The report and other products will be available on the Islands Trust website by the end of 2009.

Enforcing Community Bylaws

Considerable community effort goes into the development and adoption of land use bylaws in local trust areas, and there is an expectation by communities that those bylaws will be enforced. Trust Council's Strategic Plan includes the goal of reviewing and improving bylaw enforcement. In the 2007-2008 year, Municipal Information Ticketing bylaws were completed for Thetis Island and Gabriola Island and were in development for Denman Island. New policies and procedures for staff reports were completed, and a review of bylaw enforcement was completed by an independent consultant. Improvements to date include monthly bylaw compliance working group meetings, regular litigation updates with cost estimates going to Executive Committee and a Draft Compliance Management Strategy.

The majority of bylaw infractions involve land use zoning contraventions, such as operating a business not allowed in a residential area. Other infractions involve siting, density, short-term vacation rentals and development permits. The Islands Trust has two full-time-equivalent bylaw enforcement officers.

In accordance with the Islands Trust Council policies regarding bylaw investigations and enforcement, enforcement actions are primarily triggered by complaints from residents, claiming that individuals or corporations are not complying with the local land use regulations. Efforts are then made to investigate complaints, educate violators and obtain voluntary compliance with a community's bylaws. In most cases, violators have a variety of options, including ceasing or

amending their operations, or applying for variances or required permits. Islands Trust staff estimate that more than 90% of bylaw investigation files are resolved without legal action. Court action is only taken after other avenues to achieve compliance have failed.

In the past year the Islands Trust has seen the annual number of active bylaw enforcement cases remain relatively constant with 148 active files as of March 2009. Individuals who believe there may be a violation can file a complaint, either on-line at www.islandstrust.bc.ca or by letter to the nearest Islands Trust office.

Islands Trust Wins Injunction Against North Pender Short-Term Vacation Rental

In early March 2009, the Supreme Court of British Columbia ruled in favour of the Islands Trust and ordered a North Pender Island property owner to cease the use of his property as a commercial resort. The North Pender Island Local Trust Committee had sought an injunction to halt the commercial use of a rural property on North Pender Island with five dwellings, meeting and wedding facilities, recreation facilities and a dock. The committee argued that Robert Conconi was using his property as a commercial resort, called "The Timbers", in breach of local bylaws, which zone the property for residential use. Mr. Conconi argued that the use of the dwellings on the Property for short term paying guests was a permitted use under the current land use bylaw, and as a lawful non-conforming use pursuant to the previous Zoning Bylaw.

Court Order to Remove Salt Spring Marina 'Float Camp' Upheld

In February 2009 the Court of Appeal for British Columbia released its decision to uphold a previous Court order that "the Respondent owners and operators of the Ganges Marina must remove the Floating Structure from the Ganges Marina." The order to remove the floating structure was effective immediately.

The Court of Appeal's first decision, released December 29, 2008, confirmed that the Salt Spring Island Local Trust Committee's Land Use Bylaw applies to the floating structure used as an office by B & B Ganges Marina, that the building's location in the harbour contravened the bylaw and ordered that it must be removed immediately. The appeal stemmed from a 2007 Supreme Court decision which confirmed the ability of communities in BC to regulate shoreline development with their zoning bylaws.

4. Trust Council Advisory Committees

Every term, members for three standing committees of the Islands Trust Council are appointed by the Chair to advise the Council on policy matters.

Local Planning Committee

Members December 2008 - November 2011

George Ehring, Chair, Salt Spring Island

Joyce Clegg, Gambier Island

David Graham, Denman Island

Jen Gobby, Lasqueti, Island

Louise Decario, Galiano Island

Fred Hunt, Hornby Island

Tony Law, Hornby Island

Sheila Malcolmson, Ex Officio Member, Trust Council Chair, Gabriola Island

Derek Masselink, North Pender Island
John Money, Saturna Island
Gary Steeves, Executive Committee Representative, North Pender Island

Members to December 2008

Louise Bell, Chair, Denman Island
George Ehring, Salt Spring Island
Ken Hancock, North Pender Island
Peter Lamb, Salt Spring Island
Tony Law, Hornby Island
Peter Luckham, Thetis Island
Bruce McConchie, South Pender Island
Gary Rowe, Mayne Island
Gisèle Rudischer, Executive Committee Representative, Gabriola Island
Michael Sharp, Galiano Island

Local Planning Services Review

Over the past year, Trust Council examined the way the Islands Trust carries out its responsibility for land use planning and regulation across the Islands Trust Area in order to operate effectively and efficiently, while recognizing the varying needs of island communities. Following an extensive review of local planning services in 2007, Trust Council unanimously approved a plan to enhance service delivery by:

- enhancing customer service within regional offices;
- increasing planning staff levels to address long standing deficiencies;
- serving the Thetis Island Local Trust Area from the Northern office instead of from the Salt Spring office;
- initiating internal working groups across regions on an "as required" basis;
- establishing annual funding for scientific studies to aid Local Trust Committees in more effectively preserving and protecting the Local Trust Areas;
- implementing a "Continuous Improvement Program" using bi-monthly professional development sessions, greater involvement in regional initiatives and partnerships with academic institutions; and,
- creating a performance measurement system to ensure service levels are maintained for each Local Trust Area.

In March 2008, the Trust Council funded this plan through adoption of the annual budget for Fiscal Year 2008-2009 and implementation of the plan commenced immediately thereafter.

Procedural Certainty Initiative

In response to Trust Council direction, staff in Local Planning Services (LPS) reviewed the existing development application processing procedures with a view to ensuring procedural certainty and administrative fairness. The guidelines for development applications requiring an amendment to an Official Community Plan or Land Use Bylaw were revised accordingly.

Protecting Riparian Areas

A model Development Permit Area bylaw for riparian area protection was presented to the Islands Trust Council in the previous year, and to date one local trust committee has adopted a local bylaw incorporating the model. Once adopted by local trust committees, the model bylaw will satisfy the requirement of the Ministry of Environment that all local governments provide a level of riparian protection that meets or exceeds the requirements under the provincial Riparian Areas Regulation (RAR). Because of the topography of the Islands Trust Area, few riparian areas are likely to be fish bearing or potentially fish bearing and thus fall under the RAR. In light of this, discussions have been initiated with the University of British Columbia to provide a cost-effective assessment of the Islands Trust Area to determine which riparian areas require the protection of a Development Permit Area bylaw.

Trust Programs Committee

Members December 2008 - November 2011

Tony Law, Chair, Hornby Island
Jeanine Dodds, Mayne Island
George Ehrling, Salt Spring Island
Sue French, Thetis Island
Jen Gobby, Lasqueti Island
David Greer, South Pender Island
Jan Hagedorn, Gambier Island
Peter Luckham, Executive Committee Representative, Thetis Island
Sheila Malcolmson, Ex-Officio Member, Trust Council Chair, Gabriola Island
Susan Ann Morrison, Lasqueti Island
Beverley Neff, Saturna Island

Members to December 2008

Brian Hollingshead, Chair, Saturna Island
Jeanine Dodds, Mayne Island
George Ehrling, Salt Spring Island
Ron Emerson, Hornby Island
Sue French, Thetis Island
Peter Frinton, Bowen Island
Sheila Malcolmson, Gabriola Island
Roy Smith, Galiano Island
Rose Willow, Executive Committee Representative, Lasqueti Island

Elections Administration Review

In response to suggestions by constituents, in December 2007, the Islands Trust initiated a review of the procedures for administering trustee elections, with the aim of making improvements for the November 2008 local government elections. Because of the geography of the Islands Trust Area, administration of Islands Trust elections is complex. The intent is to be cost-effective, while giving voters ample opportunity to cast their vote.

As with other local governments, Islands Trust elections are administered in accordance with the requirements of the *Local Government Act*. The Act defines many aspects of the elections process, including schedules, official notices and the way that polling stations operate. It also determines who is eligible to vote and how they register.

Normally the Islands Trust uses the services of the Regional Districts and School Districts as they hold their elections at the same time throughout the Islands Trust Area. The advantages of this method are that individual voters can register once and do all their voting at the same place. The review helped to determine if this was still the best approach, and how it might be improved. The review also considered alternatives that might become available if the provincial government changes the way local governments can run their elections, for example, using mail ballots.

The review undertaken in December included opportunities for opinions from resident and non-resident voters by means of an on-line survey, focusing on aspects of the elections process such as communications and the accessibility of polling stations. An independent consultant tabulated the results and developed recommendations, which were presented to the Islands Trust Council in March. At its 2008 June quarterly meeting, Council decided on changes to the elections procedures for the November 2008 local government elections. The changes were intended to address the primary areas of concern, while maintaining a high level of confidence in the election process.

As a result, the following voting opportunities were put in place for the November 2008 local government elections:

For people not on island on election day:

- There was a poll in West Vancouver for Gambier Island Local Trust Area voters and in Richmond for voters in most other regional districts.
- Advance polls were available on Wednesday, November 5, 8 a.m. to 8 p.m. and on additional days in some locations.
- Locations were advertised in local newspapers and on the Islands Trust website.
- Mail ballots were available for the first time to residents of Bowyer and Passage Islands.
- The Islands Trust entered into service contracts with the Nanaimo, Comox Valley, Cowichan Valley, Powell River, Sunshine Coast, Greater Vancouver and Capital Regional District Boards for the purpose of sharing costs of conducting elections.
- The Islands Trust also provided an electronic subscription service on its web site for notifications when there were updates to the site, including formal election notices and election results. Updates were posted on a regular basis and continued until the election results were finalized.

2008 Community Stewardship Awards

The Islands Trust Council selected the recipients of the seventh annual Community Stewardship Awards during its quarterly meeting on Galiano Island, June 12, 2008.

The awards recognize individuals and groups for significant contributions towards preserving the community, culture or environment of an island. The award program is designed to promote the mandate of the Islands Trust by celebrating the dedicated people who have donated countless hours to enhancing the quality of life in the Trust Area.

The diverse nature of the work of the nominees and the quality of the projects in which they have been involved was outstanding. In fact, while the Islands Trust normally selects four award recipients—two individuals and two organizations. This year there were two additional awards: one for enduring achievement and one for a special contribution.

The Islands Trust Council gave the group awards to:

- Lasqueti Island Nature Conservancy for its successful effort to protect a property adjacent to Squitty Bay Provincial Park; and,
- The Lyall Creek Salmon and Trout Enhancement Project of Saturna Island for its work to re-establish the salmon run in Lyall Creek.

The individual awards went to:

- Mary Cooper of Mayne Island for her work as Chair of the Mayne Island Integrated Water Systems Society in water conservation, preservation, and protection on the Gulf Islands; and,
- Maureen Moore of Salt Spring Island, who coordinated the campaign to save Salt Spring Island's Creekside Rainforest.

In addition, an 'Enduring Achievement' award for 2008 went to:

- Geri Crooks of Saturna Island, a Saturna Island Rescue volunteer and key participant in efforts to stabilize emergency medical response on Saturna Island.

A 'Special Contribution' Award for 2008 went to:

- Alasdair and Nancy Gordon of Lasqueti Island for 35 years of exemplary land stewardship and for their donation of Mount Trematon to the Islands Trust Fund.

The Community Stewardship Awards were presented at local trust committee meetings later in the year on the individual islands where the recipients live.

In 2008 a total of 12 individuals and six groups were nominated from nine local trust areas: Denman, Galiano, Lasqueti, Mayne, North and South Pender, Salt Spring, Saturna and Thetis islands. The nominees' projects included land conservation, trail networks, fresh water and marine conservation, wildlife preservation, organic farming, community service, and public education.

The public can make nominations for awards each spring. Information is available on the Islands Trust website at www.islandstrust.bc.ca.

Financial Planning Committee

Members December 2008 - November 2011

Alison Morse, Chair, Bowen Island

Louise Bell, Executive Committee Representative, Denman Island

Joyce Clegg, Gambier Island

David Graham, Denman Island

Sue French, Thetis Island

Deborah Ferens, Gabriola Island

Peter Luckham, Executive Committee Representative, Thetis Island

Sheila Malcolmson, Executive Committee Representative and Trust Council Chair, Gabriola Island

Gary Steeves, Executive Committee Representative, North Pender Island

Christine Torgimson, Salt Spring Island

Members to December 2008

Tom Johnstone, Chair, Saturna Island

Louise Bell, Denman Island

Kim Benson, Executive Committee Representative, Gambier Island

Brian Hollingshead, Saturna Island

Peter Lamb, Salt Spring Island

Alison Morse, Bowen Island

Gary Rowe, Mayne Island

Gisele Rudischer, Executive Committee Representative, Gabriola Island

Gary Steeves, Executive Committee Representative, North Pender Island

Rose Willow, Executive Committee Representative, Lasqueti Island

Financial Plan

On March 18, 2008 the Islands Trust Council approved a new annual budget for 2008-2009 that responded to public comments and suggestions it had received about delivering services in three main areas: sustainable environment, healthy communities and excellence in governance.

Trust Council's strategic plan for the 2005-2008 term focused on these key areas.

The budget responded to comments and suggestions the Islands Trust has received from island communities about:

- strengthening the Islands Trust's ability to protect the environment;
- stronger bylaw enforcement;
- better advocacy about island issues with other agencies and levels of government;
- improved delivery of services; and,
- more public communication and consultation opportunities.

On March 14, Trust Council debated and voted on the budget recommended by the Financial Planning Committee. The committee's recommendations were based on months of deliberations on how best to achieve the communities' requests for improved services and new programs without adding costs. Trust Council also considered input from the public on the proposed budget, which the Islands Trust solicited and received earlier in March.

To accommodate the budget requirements for the upcoming year, Trust Council approved a budget of \$6.16 million, representing an increase in property tax of approximately \$3.69 per \$100,000 of assessed property value or 5.9%. This meant a property tax increase of approximately \$16.62 for a typical residential property assessed at \$450,000. Islands Trust taxes account for approximately 10-14% of the total tax bill for a typical property owner in the Islands Trust Area.

Before proposing a budget increase, Council's Financial Planning Committee carefully considered many options to achieve the things communities asked for. Although taxes are the major source of revenue for the Islands Trust, additional revenue comes from a provincial government grant and special user charges, such as application fees. The committee looked at how to increase revenues and considered how to improve services without adding costs. In the final analysis, the Committee recommended a small increase in our overall budget for next year.

Improved bylaw enforcement and timelier processing of applications were two areas the budget addressed, arising from a review of the planning services the Islands Trust delivers to each island community.

The budget also allowed the Islands Trust to engage environmental and scientific specialists from time to time so that it could better deliver on its mandate to preserve and protect the Islands Trust Area.

In the fall of 2007 Trust Council endorsed the BC Climate Action Charter and made a commitment to take action in three areas: carbon neutral operations by 2012; measuring and reporting on greenhouse gas emissions in the Islands Trust Area; and fostering energy efficient communities through land use planning. The budget enabled Trust Council to develop an initial strategy to help meet these commitments.

5. Local Trust Committees and Bowen Island Municipality

There is a local trust committee for each group of islands designated as a local trust area by regulation under the *Islands Trust Act*. A local trust committee is responsible for advancing the object of the Act through land use planning and regulation for its area of jurisdiction.

Day-to-day planning activities of local trust committees and Bowen Island Municipality

included application processing; public, agency and trustee inquiries; local trust committee or municipality meetings; and Board of Variance support.

Bowen Island Municipality

Councilors Alison Morse and Peter Frinton represented Bowen Island Municipality on the Islands Trust Council in the 2005-2008 term. Councilors Alison Morse and Nerys Poole represented the municipality on the Islands Trust Council after the November, 2008 election. Bowen Island Municipality produces its own annual report, which can be found on-line: www.bimbc.ca

Denman Island Local Trust Committee

The Denman Island LTC completed the community consultation and work on assessing the Denman Island Official Community Plan and Land Use Bylaw, with new bylaws for each to be ready for Executive Committee approval before the end of the term.

The LTC also completed the technical work for rezoning a property to accommodate an innovative co-housing development designed to provide affordable housing over time to fifteen island families, while protecting the neighbours from any negative impacts through the use of a covenant that ensures a generous buffer of trees around the development.

During the fiscal year 14 meetings were held to carry out the business of the LTC and to provide opportunities for town hall sessions when constituents could discuss land use issues with elected representatives. LTC work is divided between planning projects and application processing. Ideally each receives about half of our time, although that's not always the case.

Gabriola Island Local Trust Committee

During this fiscal year Elder Cedar (S'ul-hween X'pey) became an Island Trust Fund nature reserve, the Gabriola Community Profile was completed, the Mudge Island Official Community Plan and Land Use bylaws were adopted, the Gabriola OCP Review became a top priority and the Sensitive Ecosystem Mapping project began. The LTC commissioned a report on eelgrass around Gabriola Island and supported the Gabriola Wildlife and Rescue Society to map frog ponds. The LTC also supported funding for a sustainability plan workshop.

Galiano Island Local Trust Committee

Until November 2008, the Galiano Island Local Trust Committee continued to review forestland OCP and LUB amendments. After the election, the new LTC began planning an OCP Review to examine a wide range of policies including forestland, transportation, water, food security and other community concerns. As well, the committee initiated possible removal of the controversial heritage forest option. Plans were also put in place to amend bylaws for lands to be made useable for affordable and seniors housing.

Throughout the fiscal year, a number of applications and referrals for rezoning, development variances, subdivision and other general applications were addressed.

Gambier Island Local Trust Committee

Three community consultation meetings were held to obtain public input for the Associated Islands Official Community Plan and Land Use Bylaw. The draft Associated Island Official Community Plan was completed and made available for public review.

Hornby Island Local Trust Committee

Land Use Bylaw amendments for numerous housekeeping changes were drafted and processing began.

The Technical Review of the Official Community Plan and Land Use Bylaw was completed.

Visitor Accommodation/Short Term Vacation Rental was made the number one priority and a staff report completed.

Land Use Bylaw amendments for numerous housekeeping changes were adopted.

Lasqueti Island Local Trust Committee

Bylaws were drafted for an application for health care centre and assisted living housing facility. The 2008 density build out map was completed.

Mayne Island Local Trust Committee

The LTC started work on sensitive ecosystem mapping and the Mayne Island Land Use Bylaw was reviewed and adopted.

North Pender Island Local Trust Committee

North Pender Island LTC adopted a new Official Community Plan including many new sensitive ecosystem development permit areas. The LTC also adopted zoning and policies for lands in the National Gulf Islands Park Reserve.

Nearly 100 people attended the North Pender Island Local Trust Committee's Stewardship Fair in October 2008. The fair featured presentations on a variety of topics including: a workshop on environmentally-friendly rat control; a presentation on the benefits of solar powered hot water systems and incentives for homeowners through the Solar program; a report on finding and maintaining endangered species on Pender such as the Western painted turtle and the Sharp-tailed snake; and Deer Ecology 101 about the life of resident Black-tailed deer. Complementing the presentations were displays by: the Pender Islands Conservancy; the Habitat Acquisition Trust; the Garry Oak Ecosystem Recovery Team; the Islands Trust Fund's Natural Area Tax Exemption Program; the BC Coastal Cleanup Campaign; MKI Wind Energy Systems; the BC-Canada Environmental Farm Planning Program; SolarBC on solar-powered hot water systems; and Bell Labs Canada Animal Health Division.

Salt Spring Island Local Trust Committee

Salt Spring Island Official Community Plan Adopted

On October 2, 2008 the Salt Spring Island Local Trust Committee adopted its new Official Community Plan, incorporating revised policies, following approval by the Islands Trust Executive Committee and the Minister of Community Development. The new Official Community Plan represents more than two years of work by dozens of community members and extensive public consultation. The previous OCP was 10 years old and needed updating.

Phase II of the OCP review will commence in 2009. This review will focus on Development Permit Areas on Salt Spring Island.

The Salt Spring Island Local Trust Committee received a total of 42 development applications including three Agricultural Land Reserve, six Development Permit, 12 Variance Permit, five Rezoning, and 13 Subdivision proposals.

Murakami Housing Agreement

In 2008, the Murakami Housing complex was approved as the first medium sized affordable housing project on Salt Spring Island. It applied the template housing agreement developed two years earlier and represents a milestone in addressing housing needs on Salt Spring Island.

Sensitive Ecosystem Mapping

In 2008 Salt Spring Island planning staff partnered with provincial and federal environmental agencies to complete a Salt Spring Ecosystem Mapping / Terrestrial Ecosystem Mapping project. By providing detailed ecological classifications of the land, the project will support the work of conservation and protection agencies, the Islands Trust Fund, and development of Official Community Plan policies to protect the island's most sensitive ecological areas.

Community Heritage Register

In 2008 the Salt Spring Island Community Heritage Register was re-established. The Local Trust Committee is involved in considering island heritage buildings, heritage trees, and other heritage features that the community believes are worth conserving through addition to the Register. The Fulford Community Hall was listed as a property having significant heritage value. Future properties will be nominated for the Register through authorization by the property owner and assessment by professionals such as a registered architect experienced in heritage buildings.

Soil Removal & Deposit Bylaw No. 418

Work progressed on the Soil Removal and Deposit Bylaw. Bylaw 418 was adopted in 2008 and provides the framework for soil removal and deposit permits. An accompanying Bylaw 419 establishes permit fees and is awaiting approval of provincial ministries.

Industrial Land Task Force

A community-based Industrial Land Task Force was appointed by Local Trust Committee to address urgent questions concerning industrial zoned land on Salt Spring Island. The purpose of the task force is to assess the need, requirements and preferred location of industrial-zoned land on Salt Spring Island. It is expected to report to the Local Trust Committee by summer 2009.

Saturna Island Local Trust Committee

Saturna Island now has its first heritage building. As a result of a bylaw passed in 2009, the Saturna Island Community Hall has been officially designated as a heritage building, the first such heritage bylaw in the Islands Trust Area. The original structure was constructed in 1933, with a stage, bathrooms, meeting rooms and entry areas added at different times during the subsequent years. In its submission to the Local Trust Committee to protect the property as a heritage site, the Saturna Community Club said, "The Saturna Community Hall is valued because of its continuous and evolving use for nearly three-quarters of a century in support and development of the social and cultural life of this community. Built before roads connected residents who lived in small homes clustered together in three or four different places around Saturna's shoreline and before ferries were available to transport people between the Southern Gulf Islands, the hall was deliberately located close to the wharf on Lyall Harbour. It thus became the community's 'living room'—a convenient, central place where everyone might gather together including friends and family from other islands."

The Saturna Island Local Trust Committee addressed applications and referrals for rezoning, development variance permits, subdivision and other general applications and referrals. Project work focused on Quarry Road dedication, regulations regarding short term vacation rentals, regulations regarding accessory buildings, East Point water conservation regulations and the rezoning of two new fire hall sites.

South Pender Island Local Trust Committee

The South Pender Local Trust Committee reviewed applications for subdivision and considered proposed parkland dedication. Local trustees brought the issue of offloading of gypsum in Plumper Sound to the attention of Trust Council, which then directed staff to take action. The LTC hired a local eagle expert and photographer to produce the pamphlet 'Eagles of south Pender' which was mailed to all South Pender households and provided to the Pender Island Conservancy Association for distribution.

Thetis Island Local Trust Committee

The Thetis Island Local Trust Committee began work on its Official Community Plan review in the spring of 2008. The Local Trust Committee also appointed an Advisory Planning Commission in support of the Official Community Plan work. The Natural Area Protection Tax Exemption Program (NAPTEP) was expanded to Thetis Island in 2008. The LTC also hosted Islands Trust staff for a tour and meeting on Thetis Island in September, 2008. In the spring of 2009 the LTC began a shoreline mapping project with the University of British Columbia to support Official Community Plan work.

Executive Islands

A group of small and largely uninhabited islands near the Nanoose area are under the jurisdiction of the Islands Trust Executive Committee, which acts as a local trust committee for the purpose of land use planning and regulation. The Executive Committee considered a staff report regarding the creation of an Official Community Plan and land use bylaw for the 'Executive' Islands.

6. Trust Fund Board

The Trust Fund Board administers the Islands Trust Fund, a conservation land trust established in 1990 to preserve and protect unique ecological features in the Islands Trust Area. As one of British Columbia's leading conservation trusts, the Islands Trust Fund works with Trust Area communities to protect special places in perpetuity through voluntary land donations, conservation covenants, land acquisition and stewardship education.

As of March 2009, the Trust Fund Board protects 982 hectares of natural and cultural values on 75 properties.

Regional Conservation Plan Update

The Islands Trust Fund's Regional Conservation Plan guides the Trust Fund Board's policy and operations when considering conservation proposals, applying for Free Crown Grants, determining annual work programs and measuring its successes in protected natural places. The Islands Trust Fund completed its first Regional Conservation Plan in 2005. The current plan's duration is from April 1, 2005 to March 31, 2010.

The Regional Conservation Plan is a living document designed using adaptive management principles. The Trust Fund Board reviews the accomplishments of the plan and evaluates the barriers to success each year. Below is a status update for the 2005-2010 Regional Conservation Plan

Protected Area in the Islands Trust Area

As of March 2009, more than 15.4% (over 12,014 hectares) of the Islands Trust Area has been protected through public and non-profit conservation organizations—an increase of 3% since April 2005.

CHANGE IN PERCENT OF PROTECTED AREA FROM 2004/05 TO 2008/09

Local Trust Area/ Island Municipality	% protected 2004/05	% protected 2008/09	% increase April 2005 to March 2008	Area required to meet 2005-2010 RCP objective (ha)
Bowen	13.8%	13.9%	0.1%	53.4
Denman	5.0%	9.9%	4.9%	262.5
Gabriola	2.5%	9.1%	6.6%	345.5
Galiano	14.0%	17.7%	3.7%	0.0
Gambier	7.8%	10.7%	2.9%	434.0
Hornby	23.5%	23.5%	0.0%	0.0
Lasqueti	8.6%	9.7%	1.1%	393.3
Mayne	4.0%	4.4%	0.4%	250.6
N. Pender	18.0%	19.2%	1.2%	0.0
Saturna	43.4%	43.5%	0.1%	0.0
S. Pender	28.0%	32.2%	4.2%	0.0
Salt Spring	16.0%	18.5%	2.5%	0.0
Thetis	3%	4.0%	1.0%	432.8
Total for the Islands Trust Area	12.3%	15.4%	3.1%	2172.2

Status of the Regional Conservation Plan Goals and Objectives as of March 31, 2009
 The Islands Trust Fund has completed the fourth year of its five-year Regional Conservation Plan.
 An assessment of the progress to date is summarized below.

**STATUS OF THE REGIONAL CONSERVATION PLAN'S FIVE-YEAR
 OBJECTIVES AS OF MARCH 2009**

Long Term Goal	Five-Year Objective	Status of Objective
Protect a significant amount of each natural ecosystem in each local trust area and island municipality	To protect at least 5% of each natural ecosystem class within each local trust area and island municipality	All islands except South Pender and Galiano have natural ecosystems that have less than 5% protected
Protect the last remaining blocks of large natural ecosystems	To protect at least two parcels of land of at least 50 ha within the Bowen Island Municipality, Gambier or Lasqueti Local Trust Area	Mt. Artaban (107 ha) on Gambier and Mt. Trematon (57.87 ha) on Lasqueti are now ITF Nature Reserves
Ensure that each local trust area and island municipality has protected viable ecosystems	To work with partners to achieve at least 15% protection of the total area of each local trust area and island municipality, including modified ecosystems on islands with few natural areas	Bowen (13.9%), Denman (9.9%), Gabriola (9.1%), Lasqueti (9.7%), Mayne (4.4%) and Thetis (4.0%) are still below the target
Expand existing protected areas for each island	To protect at least four properties adjacent to protected areas	David Otter Nature Reserve on Bowen Island borders Crippen Regional Park; a NAPTEP covenant on Galiano is adjacent to another conservation covenant area; Long Bay Wetland Nature Reserve on Gambier is adjacent to Mt. Artaban Nature Reserve and a NAPTEP Covenant on Salt Spring is adjacent to both a Provincial Park and Salt Spring Island Waterworks lands
Create a network of protected area for each island	To see protected area networks (PANs) delineated in all OCPs across the Islands Trust Area. The first step in achieving this target is preparing a set of guidelines for approval by Trust Council	Guidelines to be produced by Local Planning Services.
Improve the Islands Trust Ecosystem Mapping (ITEM) to form a stronger foundation for future plans	To update the ITEM and increase accuracy by ground-truthing at least 20% of polygons and to provide information to all partners each year on protected status for each local trust area/ island municipality	Terrestrial Ecosystem Mapping for all islands except those in Howe sound was completed at the end of 2008. Howe Sound Terrestrial Ecosystem Mapping will be completed by the end of 2009
Ensure safety and ecological integrity of protected areas	To develop an implementation plan that ensures the safety and ecological integrity of all TFB owned and covenanted lands	Currently under development with anticipated completion date by the end of 2009.

Islands Trust Fund Fundraising Campaigns

The Islands Trust Fund is recognized by the Canada Revenue Agency as a qualified donee and undertakes work classified as 'charitable' under Canada Revenue Agency definitions. With the Islands Trust Fund's core operational expenses covered by the Islands Trust, 100% of funds donated to the Trust Fund Board go directly to 'on-the-ground' conservation work. Donated funds are used by the Trust Fund Board to cover costs associated with land acquisition (e.g. property purchase, appraisals, baselines) and special conservation projects (e.g. ecosystem mapping, regional conservation planning).

Opportunity Fund

The Opportunity Fund provides funding to partner agencies working on regionally important conservation projects. The fund provides support for hard to fundraise costs associated with land protection, or is used to lever increased donations to land acquisition projects. It is funded by donations from the general public and proceeds from the sales of Islands Trust Fund birthday calendars. The Regional Conservation Plan guides the allocation of funds from the Opportunity Fund.

In 2008/09, the Opportunity Fund received \$3,087 in donations. No new applications for funding were received.

Geographically Restricted Funds

The Trust Fund Board strives to accommodate donors who wish to designate donated funds for defined geographical areas within the Islands Trust Area. In 2008, the Trust Fund Board produced guidelines enabling donations to be restricted to an area defined by the donor.

The Trust Fund Board established the Lasqueti Island Geographically Restricted Fund using the excess funds from the 2007 Squitty Bay Park Expansion Fundraising Campaign, with the permission of donors. Including the excess funds transferred from the Squitty Campaign, the Lasqueti Island Geographically Restricted Fund received \$27,700 in donations.

Stewardship Education Activities

The Islands Trust Fund recognizes that the most influential land stewards operating in the Islands Trust Area are landowners themselves, as their daily decisions have a direct effect on the health of fragile island ecosystems. By providing ecological information and support to local landowners, the Islands Trust Fund enables landowners to make positive decisions that ultimately lead to the protection of island ecosystems.

Medicine Beach Watershed Awareness Initiative

The Islands Trust Fund partnered with the Pender Islands Conservancy Association (PICA) to implement a landowner contact program on North Pender Island. The program targeted landowners within the watershed boundaries of the tributaries feeding the marsh in the Medicine Beach Nature Sanctuary. The program provided information about the processes occurring in the fragile salt-water marsh. For interested landowners, the program offered on-site consultations to provide guidance on steps they can take to protect the natural features on their property and reduce their impact on the watershed. To reach additional landowners and to wrap-up the initiative, PICA hosted a public celebration of the Medicine Beach Nature Sanctuary. Naturalists were on hand, enthusiastic to share their knowledge of the fauna and flora of the nature sanctuary. The program reached more than 85 landowners, connecting them to where they live.

NAPTEP Information Session, Gabriola and Thetis Islands

To introduce NAPTEP to the local trust areas in the Cowichan Valley Regional District and the Regional District of Nanaimo, the Islands Trust Fund hosted conservation information sessions and open houses for landowners interested in the program on Gabriola and Thetis Islands.

2008-09 Free Crown Grant Program

Through the Province of British Columbia's Free Crown Grant program, Trust Council and the Trust Fund Board work together to seek the sponsorship of the Minister of Community Services for parcels of Crown Land in the Islands Trust Area. When a Trust Fund Board application is granted, the title of the property is received by the Trust Fund Board and its ecological values are protected in perpetuity as a nature reserve. In 2006, the Trust Fund Board received the Elder Cedar (S'ulhween X'pey) Nature Reserve on Gabriola Island as its first Free Crown Grant from the Province of British Columbia.

Mount Artaban Nature Reserve, Gambier Island

In May 2008, the Trust Fund Board received a 107-hectare property encompassing Mount Artaban on Gambier Island through the Free Crown Grant Program. The new Mount Artaban Nature Reserve protects old-growth trees, a wetland, and several at-risk plant communities. The water flowing from this pristine mountain provides clean drinking water for the surrounding community and feeds aquatic habitats below. Bald eagles are often seen in the skies above the new reserve, and Steller's jays, Rufous hummingbirds and blue grouse inhabit the forest.

The designation of Mount Artaban as a protected nature reserve was the final piece needed to create a continuous protected area network of 525 hectares on Gambier Island. The Mount Artaban Nature Reserve and adjoining protected areas offer an exhilarating hiking experience. Island residents and visitors can enjoy trails that extend from the Long Bay and Brigade Bay waterfronts to Mount Artaban's peak. The trail system also extends south through Halkett Bay Provincial Marine Park.

Fairy Fen Proposed Nature Reserve, Bowen Island

This 18-hectare nature reserve on Bowen Island protects a wetland known locally as Fairy Fen or Mystery Marsh. The wetland contains red listed plant communities and other provincially significant ecological values.

This parcel is the third Free Crown Grant the Trust Fund Board will receive from the Province of British Columbia. The board accepted an offer for the land from the Crown in 2007 subject to the completion of a survey. With the survey completed in 2009, the Trust Fund Board expects the Order in Council transferring the Fairy Fen parcel to the Trust Fund Board to be signed in early 2010.

Property Management in 2008-2009

The Trust Fund Board monitors its properties and covenants annually to ensure that the natural values that were protected are maintained. In addition, the Trust Fund Board ensures perpetual protection of its own properties by registering covenants with independent conservation organizations. In 2008, the Trust Fund Board registered a conservation covenant on the Lindsay Dickson Nature Reserve in favour of the Denman Conservancy Association.

Property Management Specialist

The Trust Fund Board is the primary manager of its nature reserves, which constitute 495 hectares of land, and shares management for over 487 hectares of covenanted land with landowners and other conservation groups. The properties managed by the Trust Fund Board have historically

increased on average by 5-7 annually. In recognition of the substantial workload associated with property management and the inability of the Ecosystem Protection Specialist to adequately address that workload when combined with the position's other responsibilities (e.g. covenant negotiations, conservation planning), Trust Council approved the creation of Property Management Specialist staff position in March 2009. The Property Management Specialist will be responsible for the following tasks:

- Development of management plans in collaboration with local conservancies and contractors
- Negotiation of management agreements with local conservation groups
- Management and review of annual property monitoring contract
- Follow-up on covenant breaches with landowners and legal counsel
- Engaging adjacent landowners in stewardship of nature reserves (i.e. through landowner contact)
- Development of an annual workplan addressing property management concerns identified in Management Plans and annual monitoring reports. Negotiation and administration of contracts to undertake the work, and evaluation of work upon completion
- Annual identification and evaluation of safety and ecological risks on TFB properties

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Consolidated Financial Statements of

THE ISLANDS TRUST

Year ended March 31, 2009

THE ISLANDS TRUST

Financial Statements

Year ended March 31, 2009

	<u>Page</u>
FINANCIAL REPORTING RESPONSIBILITY	1
AUDITORS' REPORT	2
STATEMENTS	
A Consolidated Statement of Financial Position	3
B Consolidated Statement of Financial Activities and Fund Balances	4
C Consolidated Statement of Changes in Financial Position	5
D Statement of Financial Activities and Fund Balance General Revenue Fund	6
E Statement of Financial Activities and Fund Balance Capital Fund	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8

FINANCIAL REPORTING RESPONSIBILITY

The accompanying consolidated statements of The Islands Trust (the "Trust") are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are consistent with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial statements necessarily include some amounts that are based on estimates and the judgment of management with appropriate consideration to materiality.

The Trust's accounting systems and related internal controls and supporting procedures are designed and maintained to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. The procedures include training and selection of qualified staff, the establishment of an organizational structure that provides a well-defined division of responsibilities, accountability for performance and communication of standards of business conduct.

The Trust Council, acting through its Financial Planning and Audit Committees, oversees management's responsibilities for the financial reporting and internal control systems. The Financial Planning Committee meets periodically with management and the Audit Committee meets periodically with the independent auditors to satisfy themselves that management's responsibilities are properly discharged, to review the consolidated financial statements and to recommend approval of the consolidated financial statements to Trust Council.

KPMG LLP, Chartered Accountants, the independent auditors appointed by the Trust have examined these financial statements and issued their report which follows. The auditors have full and unrestricted access to the Council to discuss their audit and their related findings.



Chief Administrative Officer



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AUDITORS' REPORT TO THE TRUSTEES OF THE ISLANDS TRUST AND THE MINISTER OF COMMUNITY DEVELOPMENT

We have audited the consolidated statement of financial position of The Islands Trust as at March 31, 2009 and the consolidated statements of financial activities and fund balances and changes in financial position and the statements of financial activities and fund balance of the general revenue and capital funds for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2009 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Victoria, Canada

May 8, 2009

THE ISLANDS TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

STATEMENT A

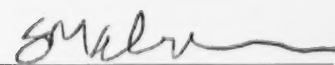
March 31, 2009, with comparative figures for 2008

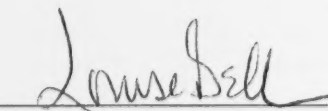
	2009	2008
Financial Assets		
Cash and short-term investments (note 2)	\$ 3,063,144	\$ 2,367,072
Accounts receivable (note 3)	83,262	89,872
Other assets	29,891	26,730
	3,176,297	2,483,674
Liabilities		
Wages and benefits payable	837,974	777,354
Accounts payable and accrued liabilities	357,229	305,576
Deferred revenue (note 4)	279,561	27,045
Employee benefit obligations (note 5)	220,041	180,796
	1,694,805	1,290,771
Net financial assets	1,481,492	1,192,903
Capital assets (note 6)	1,250,171	1,167,481
Total net financial assets and capital assets	\$ 2,731,663	\$ 2,360,384
The Islands Trust Position		
General Revenue Fund (Statement D)	\$ 1,481,492	\$ 1,192,903
Capital Fund and equity in capital assets (Statement E)	1,250,171	1,167,481
Total The Islands Trust position	\$ 2,731,663	\$ 2,360,384

Commitments (note 7)
Contingent liabilities (note 8)

See accompanying notes to consolidated financial statements.

Approved by the Trust Council:

 Trustee

 Trustee

THE ISLANDS TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCES

STATEMENT B

Year ended March 31, 2009, with comparative figures for 2008

	Budget 2009	Actual 2009	Actual 2008
Revenue:			
Property tax - general	\$ 5,344,256	\$ 5,344,256	\$ 4,995,795
Property tax levy - Bowen Island Municipality	197,693	197,693	178,060
Provincial grant - operating	156,000	156,000	138,000
Fees and sales	154,000	128,788	138,409
Appropriation from surplus	85,000	-	-
Interest	125,000	90,692	122,541
Other income	100,000	88,523	136,050
	6,161,949	6,005,952	5,708,855
Expenditure (note 9):			
Council services	1,058,106	995,000	750,735
Local trust committee services	4,550,092	4,210,314	3,956,426
Trust Fund services	553,751	512,049	499,901
	6,161,949	5,717,363	5,207,062
Excess of revenue over expenditure	-	288,589	501,793
Fund balances, beginning of year	2,360,384	2,360,384	1,749,136
Asset acquisitions	171,614	121,237	151,688
Asset disposals	-	(38,547)	(42,233)
Fund balances, end of year	\$ 2,531,998	\$ 2,731,663	\$ 2,360,384

See accompanying notes to consolidated financial statements.

THE ISLANDS TRUST

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

STATEMENT C

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditure	\$ 288,589	\$ 501,793
Decrease (increase) in net financial assets other than cash	407,483	(19,467)
Increase in cash	696,072	482,326
Cash and short-term investments, beginning of year	2,367,072	1,884,746
Cash and short-term investments, end of year	\$ 3,063,144	\$ 2,367,072

See accompanying notes to consolidated financial statements.

THE ISLANDS TRUST

STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE GENERAL REVENUE FUND

STATEMENT D

Year ended March 31, 2009, with comparative figures for 2008

	Budget 2009	Actual 2009	Actual 2008
Revenue:			
Property tax - general	\$ 5,344,256	\$ 5,344,256	\$ 4,995,795
Property tax levy - Bowen Island Municipality	197,693	197,693	178,060
Provincial grant - operating	156,000	156,000	138,000
Fees and sales	154,000	128,788	138,409
Appropriation from surplus	85,000	-	-
Interest	125,000	90,692	122,541
Other income	100,000	88,523	136,050
	6,161,949	6,005,952	5,708,855
Expenditure:			
Council services	1,027,215	973,177	727,982
Local trust committee services	4,424,814	4,121,811	3,844,177
Trust Fund services	538,306	501,138	483,215
	5,990,335	5,596,126	5,055,374
Excess of revenue over expenditure	171,614	409,826	653,481
Net transfers to Capital Fund	(171,614)	(121,237)	(151,688)
Change in fund balance	-	288,589	501,793
Fund balance, beginning of year	1,192,903	1,192,903	691,110
Fund balance, end of year	\$ 1,192,903	\$ 1,481,492	\$ 1,192,903

See accompanying notes to consolidated financial statements.

THE ISLANDS TRUST

STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE CAPITAL FUND

STATEMENT E

Year ended March 31, 2009, with comparative figures for 2008

	Budget 2009	Actual 2009	Actual 2008
Expenditure:			
Council services	\$ 30,891	\$ 21,823	\$ 22,753
Local trust committee services	125,278	88,503	112,249
Trust Fund services	15,445	10,911	16,686
	171,614	121,237	151,688
Deficiency of revenue over expenditure	(171,614)	(121,237)	(151,688)
Net transfers from General Revenue Fund	171,614	121,237	151,688
Change in fund balance	-	-	-
Fund balance, beginning of year	1,167,481	1,167,481	1,058,026
Asset acquisitions	171,614	121,237	151,688
Asset disposals	-	(38,547)	(42,233)
Fund balance, end of year	\$ 1,339,095	\$ 1,250,171	\$ 1,167,481

See accompanying notes to consolidated financial statements.

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

The Islands Trust (the "Trust") is incorporated under The Islands Trust Act of British Columbia (as amended). The object of the Trust is to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

1. Significant accounting policies:

The consolidated financial statements of the Trust are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Trust are as follows:

(a) Reporting entity:

The consolidated financial statements included a combination of all the assets, liabilities, revenues, expenditures, and changes in fund balances and in financial position of the trust council and the local trust committees.

The Trust occasionally conducts work on behalf of development applicants on a cost-recovery basis. These trust activities are not included in the consolidated financial statements.

(b) Basis of accounting:

The basis of accounting followed in the financial statement presentation is an accrual basis and includes revenue in the period in which the transactions or events occurred that give rise to the revenues, when measurable; and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

Revenue unearned in the current period is recorded as deposits or deferred revenue.

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(c) Fund accounting:

Funds within the consolidated financial statements consist of the general revenue and capital funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(d) Short-term investments:

Short-term investments are recorded at cost. Investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Fund are recorded at cost plus earnings reinvested.

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

1. Significant accounting policies (continued):

(e) Employee future benefits:

The Trust and its employees make contributions to the Public Service Pension Plan. These contributions are expensed as incurred.

Retirement allowance benefits are also available to the Trust's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(f) Capital assets:

Capital assets, which include leasehold improvements, are recorded as expenditures in the period they are acquired and are recorded on the consolidated financial statement of financial position at historical costs. Donated capital assets are reported at estimated fair value at the time they are received.

The Trust does not record amortization on capital assets.

The Trust is in the process of accumulating information and developing its accounting policies related to its tangible capital assets in order to comply with the new PSAB standards 3150. This new standard will be applicable to the Trust's 2010 annual financial statements. As at March 31, 2009, the cost and accumulated amortization have not yet been finalized for the individual classes of tangible capital assets and hence details concerning the major categories of tangible capital assets have not been provided.

(g) Equity in capital assets:

Equity in capital assets represents the historical cost of those capital assets and leasehold improvements. Equity increases as capital assets are acquired without incurring long-term debt or, where such debt is incurred, by the reduction of that debt. Equity decreases as capital assets are written off on disposal.

(h) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the period. Actual results could differ from those estimates.

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

2. Cash and short-term investments:

	2009	2008
Bank account balances	\$ 424,612	\$ 1,669,254
MFA Money Market Fund	2,638,532	697,818
	\$ 3,063,144	\$ 2,367,072

3. Accounts receivable:

	2009	2008
Opening balance - cost recoveries	\$ 7,625	\$ (5,047)
Expenses for the year	14,345	37,036
Cash received in the year	(20,937)	(24,364)
Closing balance - cost recoveries	1,033	7,625
Accounts receivable - other	82,229	82,247
Total accounts receivable	\$ 83,262	\$ 89,872

4. Deferred revenue:

	2009	2008
Strategic Community Investment Fund grant	\$ 234,313	\$ -
Other grants	45,248	27,045
	\$ 279,561	\$ 27,045

5. Employee benefit obligations:

The Trust provides sick leave and certain other benefits to its employees.

	2009	2008
Vacation	\$ 107,792	\$ 80,879
Compensatory time off	16,771	24,696
Accrued retirement allowance	95,478	75,221
	\$ 220,041	\$ 180,796

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

5. Employee benefit obligations (continued):

Vacation and compensatory time off represent the liability for accumulated banks for draw down at future dates and/or for payout either on an approved retirement, or upon termination or death. Accrued retirement allowance represents the Trust's share of the cost to provide employees with certain retirement allowances in the year of retirement, which were estimated by an actuarial valuation.

The significant actuarial assumptions adopted in measuring the Trust's accrued retirement allowance are as follows:

	2009	2008
Discount rates	6.00%	6.00%
Expected future inflation rates	3.00%	3.00%
Expected wage and salary increases	2.00%-3.00%	2.00%-3.00%

6. Capital assets:

	2009	2008
Office furniture, equipment, and computers	\$ 994,236	\$ 912,999
Denman Island Old School Site	10,000	10,000
Leasehold improvements	245,935	244,482
	\$ 1,250,171	\$ 1,167,481

Denman Island Old School Site:

In fiscal 1994, the Denman Island Ratepayers' Association donated \$10,000 which was used by the Trust to purchase the Denman Island Old School Site from School District #71. The Trust agreed to facilitate the sale of the school between School District #71 and the Ratepayers' Association and to hold title to the property on behalf of the community. The Denman Island Ratepayers' Association has leased the building from the Trust for 99 years for a total fee of \$10.

7. Commitments:

The Trust is committed to leases over rented premises and equipment. Minimum future payments in the next five years are as follows:

	Premises	Equipment
2010	\$ 271,977	\$ 22,986
2011	232,586	5,960
2012	143,512	2,238
2013	480	2,004
2014	480	-

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

8. Contingent liabilities:

In the normal course of a year, claims for alleged damages are made against the Trust. Costs, if any, are recorded when a liability is likely and reasonably determinable.

9. Expenditures by object:

	2009	2008
Salaries and benefits	\$ 3,072,762	\$ 2,798,949
Travel/training and recruitment	254,252	197,144
Council and trustee costs	612,954	571,620
Office operations	763,121	842,669
Programs	445,012	386,202
Legal and elections	448,025	258,790
Equipment	121,237	151,688
	\$ 5,717,363	\$ 5,207,062

10. Pension plan:

The Trust and its employees contribute to the Public Service Pension Plan (the "plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer, contributory pension plan. Basic pension benefits are defined. The plan has approximately 53,000 active and 33,000 retired plan members. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest valuation, as at March 31, 2008, indicated an unfunded liability of \$487,000,000 for basic pension benefits. The next required valuation will be as at March 31, 2011 with results available in 2012. The actuary does not attribute portions of the deficit to individual employers. Employee and employer contributions to the plan were increased by 0.15% of salaries effective April 1, 2007 in accordance with the plan actuary's recommendations. Contributions to the plan by the Trust totaled \$186,571 (2008 - \$174,548) during the year.

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

11. Trust activities:

(i) Trust fund under administration:

The Trust administers The Islands Trust Fund (the "Fund") which is related through the composition of the Fund's Board. The Fund is empowered to accept donations, grants and bequests on behalf of the Trust and to hold land and other property in compliance with a plan approved by the Ministry of Community Development. The Fund's Board is comprised of three members from the Trust's Council and up to three members appointed by the Minister of Community Development.

For financial reporting purposes, the Trust and the Fund are reported on separately. These financial statements present the financial position and results of operations of the Trust.

The Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These expenses are summarized as follows:

	2009	2008
Programs	\$ 388,185	\$ 362,190
Board	13,038	11,529
Administration	110,826	126,182
	<u>\$ 512,049</u>	<u>\$ 499,901</u>

(ii) Third party trust funds:

The Trust administers trust activities on behalf of development applicants on a cost-recovery basis. The activities are as follows:

	2009	2008
Cash received during the year	\$ 20,937	\$ 37,026
Cash paid during the year	14,345	24,036

Included in accounts receivable are amounts receivable from development applicants of \$1,033 (2008 - \$7,625).

Financial Statements of

THE ISLANDS TRUST FUND

Year ended March 31, 2009



KPMG LLP
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AUDITORS' REPORT TO THE TRUSTEES OF THE ISLANDS TRUST FUND BOARD, THE TRUSTEES OF THE ISLANDS TRUST COUNCIL AND THE MINISTER OF COMMUNITY DEVELOPMENT

We have audited the statement of financial position of The Islands Trust Fund as at March 31, 2009 and statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Trust Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Trust Fund derives revenue from grants and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues from grants and donations was limited to the amounts recorded in the records of the Trust Fund and we were not able to determine whether any adjustments might be necessary to grant and donations revenue, excess of revenue over expenses and Fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Trust Fund as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Victoria, Canada

May 8, 2009

THE ISLANDS TRUST FUND

Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2009 Total	2008 Total
Assets						
Cash	\$ 33,625	\$ 61,484	\$ -	\$ -	\$ 95,109	\$ 87,205
Receivables	-	838	-	-	838	4,344
Short-term investment	-	-	-	117,351	117,351	115,000
Inventory of fundraising items	3,120	-	-	-	3,120	3,705
Land (notes 2 and 4)	-	-	5,923,903	2,654,000	8,577,903	7,400,903
Interfund receivables (payables)	-	(5,649)	-	5,649	-	-
	\$ 36,745	\$ 56,673	\$ 5,923,903	\$ 2,777,000	\$ 8,794,321	\$ 7,611,157
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,326
Fund Balances						
Unrestricted	36,745	-	-	-	36,745	39,130
Investment in land (note 2)	-	-	5,923,903	-	5,923,903	4,746,903
Internally restricted (note 3)	-	15,884	-	-	15,884	15,738
Externally restricted (note 3)	-	40,789	-	-	40,789	37,060
Restricted for endowment purposes (note 4)	-	-	-	2,777,000	2,777,000	2,769,000
	36,745	56,673	5,923,903	2,777,000	8,794,321	7,607,831
	\$ 36,745	\$ 56,673	\$ 5,923,903	\$ 2,777,000	\$ 8,794,321	\$ 7,611,157

See accompanying notes to financial statements.

Approved by the Trust Fund's Board:

 Board member
 Board member

THE ISLANDS TRUST FUND

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2009, with comparative figures for 2008

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2009 Total	2008 Total
Revenue:						
Donations in cash	\$ 2,845	\$ 200	\$ -	\$ 20,000	\$ 23,045	\$ 184,701
Grants in cash	-	2,700	-	-	2,700	822
Donations of land	-	-	1,177,000	-	1,177,000	-
Rental income	-	10,200	-	-	10,200	4,675
Investment income (loss)	381	(18,126)	-	-	(17,745)	(1,669)
Sale of fundraising items	1,043	-	-	-	1,043	569
	4,269	(5,026)	1,177,000	20,000	1,196,243	189,098
Expenses:						
Repairs and maintenance - Alton property	-	4,091	-	-	4,091	12,423
Cost of sales of fundraising items	360	-	-	-	360	270
Interest expense	69	8	-	-	77	221
Donations to conservancy groups	5,000	-	-	-	5,000	147,729
Other	225	-	-	-	225	616
	5,654	4,099	-	-	9,753	161,259
Excess (deficiency) of revenue over expenses	(1,385)	(9,125)	1,177,000	20,000	1,186,490	27,839
Fund balances, beginning of year	39,130	52,798	4,746,903	2,769,000	7,607,831	7,579,992
Interfund transfers	(1,000)	13,000	-	(12,000)	-	-
Fund balances, end of year (notes 2, 3 and 4)	\$ 36,745	\$ 56,673	\$ 5,923,903	\$ 2,777,000	\$ 8,794,321	\$ 7,607,831

See accompanying notes to financial statements.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2009

The Islands Trust (the "Trust") is incorporated under The Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

The Islands Trust Fund (the "Trust Fund") is also incorporated under The Islands Trust Act of British Columbia and is empowered to accept donations, grants and bequests on behalf of the Trust and to hold land and other property in compliance with a Trust Fund plan approved by the Ministry of Community Development.

The Trust Fund is administered by the Trust and for financial reporting purposes, the Trust and the Trust Fund are reported on separately. The Trust Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These financial statements present the financial position and changes in fund balances of the Trust Fund.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting:

The Trust Fund follows the restricted fund method of accounting for contributions.

The Opportunity Fund reports unrestricted resources.

The Restricted Fund reports the assets, liabilities, revenue and expenses related to internally and externally restricted assets.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Fund's capital assets.

The Endowment Fund reports resources that are contributed for endowment purposes.

(b) Financial instruments:

The Trust Fund has designated all non-derivative financial assets and liabilities as held for trading with the exception of certain obligations designated as other liabilities and loans and receivables. The Trust Fund initially records all non-derivative financial assets and liabilities at fair value. Cash and short-term investments are classified as held for trading and measured at fair value. The Trust Fund has not classified any assets or liabilities as available for sale. The Trust Fund does not currently hold any derivative financial instruments.

The Trust Fund continues to apply the provision of Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3861 "Financial Instruments – Disclosure and Presentation". This is a disclosure option for not-for-profit organizations (note 1 (h)(i)).

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2009

1. Significant accounting policies (continued):

(c) Land:

Purchased land is recorded at cost. Contributed land is recorded at estimated fair value at the date of contribution.

(d) Revenue recognition:

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the Opportunity Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund balance.

Interest income earned on Endowment Fund resources is restricted for the purpose of maintaining certain specified property and is recognized in the Restricted Fund. Interest income of internally restricted funds is recognized as revenue of the Restricted Fund. Other interest income is recognized as revenue of the Opportunity Fund when earned.

All other forms of income are recognized as revenue of the Opportunity Fund when received or receivable.

(e) Investment income:

Investment income, which is recorded on the accrual basis, includes interest income, dividends, net gain on sale of securities and net unrealized gains (losses).

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2009

1. Significant accounting policies (continued):

(g) New accounting pronouncements:

(i) Assessing going concern:

Effective April 1, 2008, the Trust Fund implemented CICA Handbook Section 1400, *General Standards of Financial Statement Presentation*, which includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded that there is no issue regarding the Trust Fund's ability to continue as a going concern.

(ii) Effective April 1, 2008, the Trust Fund adopted CICA Handbook Section 1535, *Capital Disclosures*. Under this new standard, the Trust Fund is required to disclose both qualitative and quantitative information that enables users of the financial statements to evaluate the Trust Fund's objectives, policies, and processes for managing capital. It also included disclosures regarding what the Trust Fund regards as capital, whether the Trust Fund has complied with any external requirements and in the event of non-compliance, the consequences of not complying with the capital requirements (note 9).

(h) Future accounting pronouncements:

(i) During the Trust Fund's 2009 fiscal year, the CICA announced that not-for-profit organizations could elect to continue to apply CICA Handbook Section 3861, *Financial Instruments – Disclosure and Presentation* in place of CICA Handbook Sections 3862, *Financial Instruments – Disclosure* and 3863, *Financial Instruments – Presentation*. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how an entity manages those risks. The Trust Fund has elected to continue to apply the financial instrument disclosures and presentation standards in accordance with Section 3861.

(ii) Changes in accounting framework:

The CICA has decided to transition from Canadian GAAP for publicly accountable entities to International Financial Reporting Standards (IFRS) effective January 1, 2011. The Trust Fund is currently classified as a not-for-profit organization. The Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) have jointly issued an Invitation to Comment to invite feedback on the future of financial reporting by not-for-profit organizations. In addition, PSAB has issued an invitation to comment on the future financial reporting of government organizations.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2009

2. Land:

	Acquisition date	2009	2008
Inner Island Nature Reserve, Denman Island	1992	\$ 70,000	\$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
Medicine Beach Nature Sanctuary, North Pender Island	1996	477,000	477,000
Cunningham Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Kwel Nature Sanctuary, Lasqueti Island	1997	195,497	195,497
Singing Woods Nature Reserve, Bowen Island	1999	157,000	157,000
Trincomali Nature Sanctuary, Galiano Island	2001	242,406	242,406
Horton Bayviary Nature Reserve, Mayne Island	2002	210,000	210,000
Morrison Marsh Nature Reserve	2006	438,000	438,000
Brigade Bay Bluffs Nature Reserve, Gambier Island	2006	150,000	150,000
Long Bay Wetland Nature Reserve, Gambier Island	2006	305,000	305,000
Mt. Trematon Nature Reserve, Lasqueti Island *	2006	320,000	320,000
Elder Cedar Nature Reserve, Gabriola Island	2007	658,000	658,000
David Otter Nature Reserve, Bowen Island *	2007	620,000	620,000
Mount Artaban Nature Reserve, Gambier Island	2009	1,177,000	-
		\$ 5,923,903	\$ 4,746,903

* These properties were acquired under the federal government Ecological Gifts program. Recipients of ecological gifts are responsible for maintaining the biodiversity and environmental heritage values of the property in perpetuity.

3. Restricted Fund balances:

	2009	2008
Internally restricted:		
McFadden property	\$ 15,884	\$ 15,738
Externally restricted:		
Alton Nature Reserve - maintenance fund	12,109	10,302
Marilyn King Endowment - interest receivable	782	258
Lasqueti Acquisition Funds	27,898	26,500
	40,789	37,060
	\$ 56,673	\$ 52,798

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2009

4. Restricted for endowment purposes:

	Acquisition date	2009	2008
Alton Nature Reserve - maintenance		\$ 88,000	\$ 100,000
Marilyn King - covenant protection endowment	2009	35,000	15,000
		123,000	115,000
Alton Nature Reserve, Salt Spring Island	2002	454,000	454,000
Lindsay Dickson Nature Reserve, Denman Island	2001	2,200,000	2,200,000
		2,654,000	2,654,000
		\$ 2,777,000	\$ 2,769,000

Investment loss on endowment funds for the year of \$18,474 (2008 - \$3,905) has been recorded in the restricted fund.

Two properties owned by the Trust Fund Board, the Lindsay Dickson property on Denman Island, and the Alton property on Salt Spring Island, were donated on the condition that the properties be used and managed in certain ways. The Lindsay Dickson property was donated "for so long as the land is used as a nature reserve for the use, benefit and enjoyment of the residents of B.C.". The Alton property is to be held, managed and preserved for its ecological environment and scenic features and not as a recreational park. The residence, gardens and driveway are to be preserved and managed for non-profit purposes.

In the event that these properties are not managed accordingly, the properties could revert to the Province of British Columbia in the case of the Lindsay Dickson Nature Reserve, and to the Executors of the donor's estate in the case of the Alton Nature Reserve.

5. Related party:

The Trust is related to the Trust Fund through the composition of the Trust Fund's Board. The Trust Fund's Board is comprised of three members from the Trust's Council and up to three members appointed by the Minister of Community Development.

The Trust Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. The expenses are summarized as follows:

	2009	2008
Programs	\$ 388,185	\$ 362,190
Board	13,038	11,529
Administration	110,826	126,182
	\$ 512,049	\$ 499,901

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2009

6. Statement of cash flows:

A statement of cash flows has not been prepared as the cash flows are readily apparent in the accompanying financial statements.

7. Financial instruments:

The Trust Fund's financial instruments include cash, short-term investments, receivables and inventory. The fair value of these instruments approximates their carrying values. It is management's opinion that the Trust Fund is not exposed to significant interest, currency or credit risks arising from these financial instruments.

8. Capital management:

The Trust Fund receives its principal source of capital through funding received from donations, grants and bequests. The Trust Fund's annual expenses are funded by the Islands Trust. The Trust Fund defines capital to be fund balances.

The Trust Fund's objectives to manage its capital is to manage expenses and to preserve capital in accordance with the monitoring of funding and grants. The Trust Fund has complied with the external restrictions on the funding provided.



Islands Trust



Islands Trust Fund

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